

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,761

Thursday October 24 1985

D 8523 B

U.S. and Japan:
chip makers
at war, Page 16

World news

Business summary

Dutch near missile accord

The Dutch parliament is expected to approve today a draft agreement with the U.S. on deploying cruise missiles in the Netherlands.

Jacob de Ruiter, Defence Minister, said the accord ruled out "100 per cent" any launching of the weapons without full Nato consultation.

A petition against the siting of missiles on Dutch soil, reported to have 30 signatures, is to be presented to Prime Minister Ruud Lubbers on Saturday.

French poll date

The French Government confirmed that National Assembly elections, the first under the new proportional representation voting system, would be held on March 18 next year.

Moroccan ceasefire

Morocco announced an immediate unilateral ceasefire in the Western Sahara, where it has been fighting the Polisario independence front since 1975.

Beirut search

Shi'a Muslim militiamen made a house-to-house search in Beirut for the three kidnapped Soviet Embassy officials still missing. They detained 70 people.

Vietnam appeal

Vietnam appealed for international help after Typhoon Cecil, which struck last week, killed at least 670 people and destroyed thousands of homes.

Thatcher 'insult'

Winnie Mandela, wife of South African black opposition leader Nelson Mandela, described British Prime Minister Margaret Thatcher's refusal to impose comprehensive sanctions as an insult to South Africa's black majority.

March veteran dies

General Xu Shiyun, veteran of China's "Long March" and former top communist forces commander, died at the age of 80, the New China News Agency reported.

Full market call

West German President Richard von Weizsäcker called for the immediate creation of a fully effective domestic market within the European Community. He was addressing the European Parliament in Strasbourg.

General ambushed

Colombian army commander General Rafael Samudio was slightly wounded when attackers ambushed his car with machine-guns and grenades as he drove to work in Bogotá.

Equality strike

Iceland's women threatened to close most businesses with a strike today for job equality. Stewardesses on Icelandic have already disrupted air travel by walking out over a wage demand.

Muldoon carpeted

New Zealand's former Prime Minister Sir Robert Muldoon is to be disciplined by his National Party for criticising the current leader, Mr Jim Bolger.

Swell travel

U.S. diplomats missed taxpayers' money by taking leisurely cruises on luxury liners such as the QE 2 when they were returning from postings, according to the General Accounting Office. The diplomats could have saved \$400,000 over a three-year period if they had travelled by air, the auditors said.

Deutsche Bank in record issue

DEUTSCHE BANK, West Germany's largest commercial bank, announced the launch of its biggest ever rights issue, aimed at raising more than DM 1bn (\$400m). The bank will offer DM 50 nominal shares for DM 450 between November 12 and 26. Page 18

DOLLAR closed in New York at DM 2.6402, SwFr 2.1845, Y215.85 and FFf 8.0475. It eased in London, closing at DM 2.638 (DM 2.6405), SwFr 8.04 (FFf 8.0475), SwFr 2.184 (SwFr 2.186) and Y215.75 (Y215.8). On Bank of England figures, the dollar's index rose to 130.8 from 130.7. Page 31

STERLING closed in New York at \$1.4325. It gained 10 points against the dollar in London to \$1.434. It also rose to \$1.4325 (\$1.434) but was weaker at DM 3.1325 (DM 3.135). FFf 11.53 (FFf 11.5325) and SwFr 3.1025 (SwFr 3.105). The pound's exchange-rate index rose 0.1 to 81.1. Page 31

LONDON rose to a new peak as buying orders swept away the uncertainty that has clouded the market this week. The FT Ordinary share index closed 10.3 up at 1,051.3 and the FT-SE 100 index added 14.9 to close at 1,346.4. Page 38

WALL STREET: The Dow Jones industrial average closed up 2.80 at 1,367.18. Page 38

TOKYO: Caution dominated trading as further falls in large-capital and public-works-related issues continued to weaken the market. The Nikkei-Dow market average closed 55.16 down at 12,946.53. Page 38

BOURSES in Frankfurt, Brussels and Amsterdam reached record levels during hectic trading. The Frankfurt Commerzbank index added 28.6 to a new peak of 1,704.0. Page 38

GOLD fell \$1.25 on the London bullion market to \$328.50 but rose in Zurich, also to \$328.50. In New York, the Comex December settlement was \$329.0. Page 39

UNEMPLOYMENT in the European Community rose by 180,000 last month, according to EEC statistics. However, seasonally adjusted figures showed a slight drop in the jobless in France, Denmark, the Netherlands, Ireland, and West Germany.

U.S. consumer prices rose 0.2 per cent in September, the Labour Department announced. Declines were noted in prices of vehicles, energy and food.

NORWAY'S Oil Minister said the country's crude oil production would increase 40 per cent to 1.1m b/d by 1990. He ruled out any cooperation on output with Opec.

ITALIAN bankers' association gave preliminary approval to a plan for Italy's first-ever depositors' insurance fund, expected to be around L4,000bn (\$2.4bn).

FOCLAIN, the French hydraulic excavator manufacturer, must make profits of FFf 200m in 1986 and 1987 to avoid asking shareholders for a capital increase. Page 19

PRIVATBANKEN, third-largest Danish bank, is joining Scandinavian Banking Partners, a venture formed by three leading banks in Sweden, Norway and Finland last year aimed at offering a pan-Nordic service without the expense of setting up subsidiaries in each country.

LAFARGE COPPEL, French cement group, acquired Western Plant Breeders, U.S. grain breeding company, as part of a progressive move into that market.

EXXON, world's largest oil company, reported a 22 per cent decline in third-quarter profits, which it attributed to the cost of restructuring its West German operations. Page 19

CHRYSLER, U.S. car maker, reached tentative agreement on settlement of an eight-day strike. Page 5

Reagan in bid to seize initiative ahead of summit

BY REGINALD DALE, U.S. EDITOR, IN NEW YORK

PRESIDENT Ronald Reagan yesterday opened three days of intense diplomacy in New York, in which he will try to put the Soviet Union on the defensive and line up Western support before his Geneva summit meeting with Mr Mikhail Gorbachev, the Soviet leader, next month.

In a speech to the United Nations today, and an informal summit meeting with five other Western leaders - Mr Reagan will try to turn the tables on what U.S. officials admit has been a successful Soviet propaganda drive over the past month in favour of its arms control proposals.

Mr Larry Speakes, the White House spokesman, said yesterday that in his UN speech Mr Reagan would put forward on broad, far-reaching initiative to which he hoped Moscow would respond.

The initiative would not, however, be on arms control, which should properly be discussed at the Geneva negotiating table, Mr Speakes said. The speech would be "realistic and straightforward" and contain "straight talk about the status of U.S.-Soviet relations". His comments appeared to encourage widespread expectations that Mr Reagan would take a tough line with the Soviet Union, charging

Moscow with worldwide expansion and human rights abuses. One of the main themes of his speech, however, is likely to be that competition between the superpowers must be peaceful.

Mr Reagan is expected to emphasise that the summit, on November 19 and 20, cannot be restricted to a discussion of arms control and his so-called Star Wars space defence initiative, which Moscow has sought to present as the make-or-break issue.

The summit must also be the place for "a frank discussion of our concerns about Soviet behaviour, particularly its attempts to expand its influence by force and subversion", Mr Reagan said in a newspaper interview yesterday.

The U.S. is hoping that today's Western "mini-summit", to be attended by the leaders of Britain, West Germany, Italy, Canada and Japan, will underline Western solidarity on the eve of his encounter with Mr Gorbachev.

Mrs Margaret Thatcher, the British Prime Minister, who was to meet Mr Reagan next night, is to urge him not to let world public opinion go by default to the Soviet Union.

Mrs Thatcher was disturbed to

S. Africa to stop promoting sale of Krugerrand

By Stefan Wegstl in London

SOUTH AFRICA's gold producers are to stop the direct promotion of the Krugerrand, the coin that has spearheaded their worldwide gold marketing campaigns.

The International Gold Corporation (Intergold), the sales arm of the South African Chamber of Mines, will turn to more discreet ways of marketing gold for private investors.

The moves come in response to a U.S. ban on Krugerrand imports imposed earlier this month by President Ronald Reagan, who described the coin as "an important symbol of apartheid."

This week, Commonwealth leaders, meeting in Nassau in the Bahamas, also agreed to bring in import bans. The Japanese and Austrian governments have meanwhile advised their banks to stop importing the coins.

Demand for Krugerrands had already slumped this year as investors reacted against growing political unrest in South Africa by turning to other gold coins, notably the Canadian Maple Leaf, and small ingots.

The market for gold coins had in any case been undermined by poor gold prices. This has been exacerbated in the UK by the imposition in 1982 of value-added tax on gold coins.

Gold traders said yesterday that Intergold was facing up to the inevitable in ending the direct promotion of the Krugerrand. "They're drawing in their horns," said one.

Mr Nigel Deschroek, manager of Intergold's personal investment division (until recently called the coin division), denied that there were any plans to stop minting Krugerrands.

However, "in recent months" one-ounce coins had been produced - only the half-ounce, quarter-ounce and tenth-ounce sizes. The total output was well down on last year since Intergold was able to meet demand from its stockpile, he said.

Mr Deschroek said the changes did not mean any reduction in Intergold's marketing efforts. Intergold would be marketing gold for personal investment generically (rather than specifying Krugerrands) - just as it marketed gold jewellery generically.

The withdrawal of the Krugerrand from active service in marketing deprives Intergold of one of its most successful promotional tools. Since its launch in 1970, 50m Krugerrands have been sold, helping to create a market for gold coins which has attracted rivals like the Maple Leaf.

Pretoria debt talks fail to find solution

BY PETER MONTAGNON IN LONDON

SOUTH AFRICA is to meet its main bank creditors again in London on November 28, but there is little hope of a formal rescheduling agreement that could allow the present debt repayment standstill to be lifted.

A first meeting between the two sides yesterday, chaired by Dr Fritz Leutwiler, the Swiss mediator, concentrated on developments in South Africa's economy and technical aspects of the debt standstill, which covers \$13.6bn in loans falling due over the next 12 months.

Bankers present yesterday said political issues were not discussed at the meeting, but awareness was growing that the time was not ripe for a formal rescheduling agreement.

One banker, blaming "loosey marketing" of its political reform effort by the South African Government, said that public opinion against apartheid in many countries was too strong for banks to justify signing a formal debt restructuring agreement.

Meanwhile, efforts will concentrate on making the two-month-old standstill work better, with changes expected by next month to facilitate equal treatment of creditors. Those might include clarification of technical aspects such as the treatment of negotiable bankers' acceptances and certificates of deposit issued by

South African banks which are held by non-bank investors.

One main difficulty in predicting the future course of events after yesterday's meeting was a lack of consensus in the international banking community over the precise political reforms South Africa would need to introduce before a rescheduling became feasible.

The unique political background to South Africa's problems also again became apparent when one of the 30 banks present moved to form a negotiating committee to work out a rescheduling - as has been the case with other countries facing debt difficulties.

Instead, Dr Leutwiler, who is chairman of the Swiss industrial conglomerate Brown Boveri and a former president of the Swiss National Bank, will continue to sound out all the country's bank creditors, large and small, on their view of South Africa's situation.

At yesterday's meeting, Dr Leutwiler emphasised that his role was that of an independent mediator working neither on behalf of South Africa itself nor its bank creditors. Figures delivered to the meeting by Dr Chris Stals, director general of the Finance Ministry in Pretoria,

Continued on Page 18
UK Commons debate, Page 7

Fabius and Chirac fly to N-test atoll

BY DAVID HOUSEGO IN PARIS

M LAURENT FABIUS, France's Prime Minister, left Paris for the South Pacific yesterday to be present at nuclear tests during the next few days on Mururoa atoll.

The Prime Minister's unexpected visit, announced only a few hours before his departure, is intended to emphasise France's determination to continue testing in the region, despite the opposition of the regional states.

The visit also has a domestic political purpose in helping M Fabius to deflect the attack expected to be launched on the Government over its handling of the Greenpeace affair by M Jacques Chirac, the Opposition leader, when he meets M Fabius in a televised face-to-face debate on Sunday night.

It is the first time the French Government has given any indication of the timing of nuclear tests on Mururoa atoll. Normally the oo-

ly details of the testing emerge from monitoring in New Zealand.

The fact that M Fabius is accompanied by parliamentarians and journalists is also intended to turn the tables on the Greenpeace environmentalist organisation, which attracted considerable international publicity when it sent its ship, the Greenpeace, to Mururoa to keep a watch on the testing.

Problems with the ship's generator have forced it to head for New Zealand and the television crew and journalists it was carrying have had to leave it. Another Greenpeace vessel - the sailing ship Vega - and a New Zealand yacht, the Varangian, are still in the area. They have been told by the French authorities not to approach within 12 miles of the atoll.

M Fabius is accompanied by M

Continued on Page 18

Soviets deny Salt 2 breach over missile

BY DAVID BUCHAN IN LONDON AND PATRICK COCKBURN IN MOSCOW

THE Soviet Union yesterday dismissed U.S. accusations that its missiles development breached the Salt 2 treaty, and got from its Warsaw Pact allies endorsement of its arms control position in advance of next month's U.S.-Soviet summit.

At the conclusion of the two-day Pact summit in the Bulgarian capital of Sofia, Mr Vladimir Lomelko, the Soviet Foreign Ministry spokesman, said this week's statement by Mr Caspar Weinberger, the U.S. Defence Secretary, that deployment of the new SS-25 missile violated Salt 2 provisions "does not correspond with reality." The Soviet spokesman, however, stopped short of denying that any SS-25 deployments had taken place.

The unratified 1979 Salt 2 treaty allows the superpowers one new intermediate range ballistic missile system each, a provision which the U.S. says permits its MX missiles and which the Soviet Union says allows its SS-24 missile. Moscow claims the SS-25 is not a "new" missile but a modification of the older SS-13. Washington disputes that.

Mr Lomelko implied that Mr Weinberger was trying to torpedo "a hopeful chance for achieving some sort of agreement on arms control, a moratorium on nuclear weapons testing, bans on new intermediate-range missiles and on chemical weapons, nuclear-free zones in north and central Europe and the Balkans, and a non-aggression accord between Nato and the Warsaw Pact."

In Paris last month, Mr Gorbachev called for more contacts between the two military alliances, but no further details emerged in Sofia.

Today, the focus of attention switches to New York, where President Reagan will be speaking to the United Nations and hosting a summit of leaders from some leading Western countries. The U.S. President has been urged by Mrs Margaret Thatcher, the British Premier, to make a public presentation of U.S. arms control proposals, eclipsed by what many in the West regard as highly successful self-promotion by Mr Gorbachev.

The Warsaw Pact communiqué, as outlined by Mr Ivan Ganov, a deputy Bulgarian foreign minister, to

Exim Bank backs U.S. groups in fight for foreign contracts

BY NANCY DUNNE IN WASHINGTON

THE U.S. yesterday stepped up its fight against the use of government subsidies in export financing which it claims have allowed competitor countries unfairly to win international contracts.

The Washington Export-Import Bank announced plans to spend \$250m in offering mixed credit terms on six deals in the fields of transport, power and computers. The U.S. has targeted France, Italy and Belgium as nations against which it is particularly keen to compete.

Congress has yet to approve the \$300m "war chest" requested by President Ronald Reagan in his trade policy speech last month to do battle against the practice of mixing commercial export financing with concessional foreign aid funds.

The bank is issuing preliminary

commitments for the six transactions under its own authority and expects to turn the funds for the grant element in the financing once Congress approves them.

The six bids will not be made public until the other nations participating in the bidding are notified. Mr William Draper III, Eximbank president and chairman, said in a statement yesterday that the bids would be targeted against countries which were hampering the progress of international negotiations with the Organisation for Economic Co-operation and Development to eliminate mixed credits.

"They are intended to pressure those countries to end the insidious practice of using foreign aid or mixing scarce foreign assistance funds with normal export credits to buy an otherwise commercial contract," he said.

France, Italy and Belgium have been identified by Treasury officials as the nations which are inhibiting negotiations. Mr Draper said the six bids involved "intense international competition for sophisticated equipment and services which should be financed on commercial terms."

In three cases, Eximbank was initiating the mixed credits to assist U.S. suppliers in penetrating markets that had been dominated in the past by the countries which were impeding negotiations, he said.

In two cases, the bank is prepared to offer financial terms more favourable than those contained in mixed credits already offered. In the sixth case Eximbank and the Agency for International Development

Continued on Page 18

CONTENTS	
Europe	2, 3
Companies	19
America	6, 10
Companies	19, 21
Overseas	4
Companies	20, 22
World Trade	5
Britain	7-9
Companies	22-26
Agriculture	30
Appointments adv	I-VIII
Arts - Reviews	15
- World Guide	15
Commodities	20
Crossword	27
Currencies	31
Editorial comment	16
Euro-options	24
Financial Futures	31
Gold	39
Int. Capital Markets	18, 21
Law	16
Leaders	18
Lex	18
Management	12
Market Monitors	38
Men and Matters	16
Money Markets	30
Raw materials	30
Stock markets - Bouzies	35, 38
Wall St	35-38
London	31-34
Technology	20
Unit Trains	27-29
Weather	18
Seabed surveys: developing a new industry	9
Peru: profile of President Alan Garcia	10
Technology: a new aid to medical diagnosis	11
Management: UK building society advertising	13
Editorial comment: West Germany; UK regions	16
U.S.-Japan: chip makers at war	16
Star wars debate: a question of definition	17
Economic Viewpoint: far from dead monetarism	17
Lex: BET/SGB; Fireman's Fund; gold mines	18
Law and society: licence or liberalism	27

CITY OF
THREADE
STREE

Almost as safe as a Lansing forklift

Halfway down Threadneedle Street in the City of London, you'll find the Bank of England.

If you could put your money there it would be one of the safest, as well as one of the safest things you could do with it. But you can't.

Invest in a Lansing forklift, and in comparison with any other forklift, it will give you a long and reliable life for less money and a handsome return into the bargain.

Lansing

Why invest in anything less?

EUROPEAN NEWS

Award for Peugeot chairman

By Paul Betts in Paris

M. JACQUES CALVET, chairman of the Peugeot motor group, has been named French manager of the year. The choice reflects the recovery at the company, which is expected to break even this year after losses totalling about FF9.5bn (£780m) since 1980.

M. Calvet joined Peugeot three years ago after he was forced out from the Banque Nationale de Paris, France's largest state-owned bank, where he was chairman until the left came to power.

Over the past two years he has accelerated the restructuring programme at Peugeot involving big job losses, and despite a serious labour conflict at the Poissy car plant, has succeeded in pressing ahead with it.

In some respects he has reaped the fruits of a reorganisation begun before he joined the group.

The recovery of Peugeot, France's largest private sector industrial group, rests in large measure on the commercial success of the Peugeot 205 and to a lesser extent on the success of the Citroën BX. The company has also just launched the medium range 309 which it hopes it will consolidate the recovery.

The manager of the year title is given each year by the weekly economic magazine *Le Nouvel Economiste*. Last year the joint chairmen of the French Acor hotel group won the award.

MEPs demand final say on Treaty of Rome amendments

By Quentin Peel in Strasbourg

MEMBERS OF the European Parliament yesterday demanded the right to have a final say on any amendments to the Treaty of Rome, and particularly any changes which might alter their powers in the EEC.

One after another, they stood up in the Strasbourg assembly to express their sorrow and more often anger at the work of the inter-governmental conference currently attempting to revise the Treaty to streamline the operations of the Community and extend the powers of the Parliament.

The predictable response of the MEPs, frustrated at their impotence in the face of the over-riding power of the member governments, was directed above all at the refusal of the member states to

allow them the right to amend and vote on any Treaty changes.

They heard M. Jacques Delors, president of the European Commission, repeat his commitment to a Europe without physical frontiers, in spite of the criticism of that concept by several foreign ministers when they met on Monday.

However, a division is emerging within the ranks of the Parliament on how fiercely to oppose the work of the conference.

The radicals, led by Sig. Altiero Spinelli, veteran Italian communist and author of the Parliament's Draft Treaty of European Union, which seeks broad-ranging powers of joint decision-making, wants to reject any more modest outcome outright.

A more cautious group in the centre recognises the need to negotiate with the Council of Ministers, sitting as the inter-governmental conference, to seek some more acceptable extension of their authority.

None the less, similar criticism of the reform process came from all sides.

Sig. Spinelli himself, chairman of the Parliament's institutional committee, said the proposals in the conference so far bordered on an insult to the Parliament. He warned of a grave crisis between the two institutions of the Community if no change were made.

Even members of the British Conservative group argued in favour of Treaty amendments with more enthusiasm than the UK Government.

W. German order books swell

By John Davies in Frankfurt

WEST GERMAN manufacturers are highly optimistic about business prospects, with order books growing even though production has been stepped up.

The mood, gauged by the Munich-based Ifo economic research institute, is further evidence of the moderate recovery in the economy.

Ifo's report comes hard on the heels of forecasts by West Germany's five leading economic research institutes, which believe gross national product will grow by 3 per cent next year after a 2.25 per cent increase this year.

Even though the D-mark has gained in value against other leading currencies, manufacturers profess to be more optimistic about export prospects than they were in August. Industrial companies have seen orders increase and in general regard their order books as at a normal level, according to Ifo.

Production plans for the next few months also indicate a further increase in tempo.

Only in isolated cases have companies raised their prices. In their forecasts released earlier this week, the five institutes predict that inflation will continue at about 2 per cent next year.

They created some stir with their suggestion that the government should bring forward by a year the second stage of its income tax cuts in order to give a further lift to the economy.

Austria's budget deficit to rise

By Patrick Blum in Vienna

AUSTRIA'S BUDGET for 1986 foresees a further increase of government debt despite a slight fall of the net deficit as a share of gross national product.

Dr Franz Vranitzky, the Finance Minister, presenting his budget yesterday, said that government income next year is expected to be Sch 388.7bn (£14.6bn), 5.3 per cent more than in 1985. Expenditure is put at Sch 492.5bn, up 6.2 per cent.

The resulting gross budget deficit of Sch 103.7bn compares with Sch 93bn this year. The net deficit, after deductions of Sch 65.6bn for 1986, represents about 4.5 per cent of the expected gross domestic product, a little below the 4.7 per cent expected this year.

Government debt has been rising steadily in recent years mainly because of mounting expenditure on social security, pensions and in subsidies to the state-owned industries.

In 1982 the debt totalled Sch 341.6bn representing 30 per cent of GDP. It is expected to reach Sch 533.4bn, or 39 per cent of the GDP, this year and Sch 599bn or 41 per cent in 1986.

Dr Vranitzky said reduction of some expenditures, together with administrative improvements, showed the government's determination to tackle the budget deficit on the basis of social consensus. He rejected calls for more sweeping spending cuts.

Herr Robert Graf, the opposition People's Party spokesman on the economy, said it was a "budget of disappointments." For the first time the gross budget deficit would exceed Sch 100bn and there were no structural improvements. He also criticised the minister for failing to lower income tax.

Dr Vranitzky said Austria's economy continued to perform well in comparison with those of its competitors. He forecast 2.5 per cent real growth in 1986 following a rate of 2 per cent this year attributable mainly to exports rising by 16.5 per cent.

Imports have also risen, although at a slower rate, reducing the trade deficit. The current balance of payments, however, is expected to continue to show a slight deficit.

Inflation down from 5.6 per cent in 1984 to 3.5 per cent this year, is expected to be 3 per cent in 1986. Unemployment is forecast to grow slightly from 4.7 per cent this year to 4.9 per cent.

Austria's schools were closed yesterday as 33,000 teachers went on strike for higher pay. The strike was called after talks with the Government broke down. The last teachers' strike in 1973 lasted two days.

Strikes are extremely rare in Austria and are counted in seconds per worker each year.

Craxi seeks to repair damaged U.S. relations

By James Buxton in Rome

SIG. BETTINO CRAXI, Italy's Prime Minister-designate, yesterday left Rome for New York where he is to meet President Ronald Reagan today.

The two leaders are expected to use the meeting to consolidate last weekend's rapprochement in U.S.-Italian relations after the row between the two countries in the aftermath of the Achille Lauro hijacking.

Relations were patched up at the weekend when Mr Reagan sent Sig. Craxi a personal letter by the hand of Mr John Whitehead, the U.S. Deputy Secretary of State.

Sig. Craxi will also attend the meeting of the leaders of major industrial countries—excluding France—at which Mr Reagan intends to discuss his meeting next month with Mr Mikhail Gorbachev, the Soviet leader.

Sig. Craxi is thus abandoning until the weekend the talks he has been having with other party leaders in a bid to form a new government. He handed in his resignation last week after the Republican Party pulled out of the Government.

It did so in protest against the way Sig. Craxi allowed Mr

Mohammed Abu Abbas, of the Palestine Liberation Organisation, to leave Italy after the came into the country illegally aboard the Egyptian ship, which was diverted to Italy by U.S. fighters.

Sig. Craxi has made it clear that he wants to create his new administration on his own terms, which appears to imply that he does not intend to amend his foreign policy substantially to meet Republican Party demands.

The Republican party, led by Sig. Giovanni Spadolini, who was defence minister in the outgoing government, believes Italy is too sympathetic to the PLO.

Sig. Craxi hinted before he left for the U.S. that he is considering the option of forming something other than a new version of the five-party coalition of Christian Democrats, Socialists, Republicans, Socialists, Democrats and Liberals, which he headed until last week.

This is generally taken to mean that he is thinking of a coalition consisting of four parties, excluding the Republicans, who the Republicans might, however, give such a grouping voting support in Parliament.

Easier foreign exchange rules widely welcomed

By Our Rome Correspondent

ITALIAN exporters and investors have welcomed two important government measures for liberalising foreign exchange controls which are now coming into force after being approved by the government of Sig. Bettino Craxi just before it fell last week.

The Ministry of Foreign Trade has abolished the rule which required exporters to finance their exports partially in foreign currency, and to repay the loan within 360 days.

The obligation, which was introduced during the financial crisis in late 1982, originally required exporters to borrow in foreign currency to finance 75 per cent of their exports. But in July 1984 the amount was cut to 50 per cent, and last January to 25 per cent. Now the rule is being abolished altogether.

The authorities have also decided to cut the size of the non-interest bearing deposit which favours wishing to invest money abroad have to make with the Bank of Italy.

The size of the deposit is being unified at 25 per cent of the value of the sum being invested. Formerly it was 30 per cent for investment in the EEC, 40 per cent for those in the rest of the OECD area and 50 per cent elsewhere. Italian mutual funds are already allowed to invest up to 10 per cent of their portfolios in foreign securities without having to make the deposit.

The measures, accompanied by a number of other minor relaxations in foreign exchange regulations, are part of an

accelerating process reducing restrictions on overseas transactions. Since April 1984 the authorities have on five occasions implemented packages of measures reducing exchange control.

But little progress has been made on reforming a law of 1976 which imposes increasingly severe penalties for breaking foreign exchange regulations. These make it an offence punishable with up to six years imprisonment to export or hold abroad L5m (£2,000) or more.

A government Bill to reform the law was introduced in late 1983 but had not been approved by Parliament before Sig. Craxi's government fell last week.

FINANCIAL TIMES

Published by The Financial Times (Europe) Ltd, 10 Abchurch Lane, London EC4N 3DF, England. Registered in England. No. 10049. Printed by The Financial Times Ltd, 10 Abchurch Lane, London EC4N 3DF, England. Telephone 01-553 1234. Telex 940000. Cable 200000. Fax 01-553 1234. Second class postage paid at New York, N.Y., and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 10 Abchurch Lane, London EC4N 3DF, England. New York, N.Y. 10004.

Subscription rates: U.S. \$100.00 per annum (including postage). Single copies 50c. Subscriptions outside the U.S. add postage. Subscriptions in the U.S. and Canada: \$100.00 per annum (including postage). Single copies 50c. Subscriptions outside the U.S. add postage. Subscriptions in the U.S. and Canada: \$100.00 per annum (including postage). Single copies 50c. Subscriptions outside the U.S. add postage.

Job creation schemes announced in Irish package

By Hugh Carnegie in Dublin

DR GARRET FITZGERALD, Ireland's Prime Minister, announced a package of measures in the Dail (parliament) yesterday aimed at easing monetary constraints on the highest in the EEC at 17.5 per cent of the workforce—and improving tax collection.

Most of the job creation schemes were aimed at Ireland's heavily depressed construction industry.

Property in Dublin will be acquired for redevelopment and there will be additional inner city

reconstruction in the capital with incentives such as up to 100 per cent capital relief on buildings and relief for 10 years on local property taxes.

Home improvement grants of as much as £15,000 (£3,850) will be introduced. £7m will be spent in the leisure and tourism sectors and the natural gas grid will be extended to Limerick and Waterford.

In addition, new full-time employees taken on by private employers up to March 31 next year will be exempt from social insurance contri-

butions, and the Government will consider modifying social insurance contributions in favour of labour-intensive industries.

Dr FitzGerald said the measures would be financed by cuts in less essential spending, but he gave no details. He did not estimate the impact on unemployment, but it appeared the measures were unlikely to create more than 10,000 jobs, compared with the jobless total of 230,000.

The Prime Minister said efforts to improve tax collection and cut

tax avoidance, such as more tax evasion officers and surcharges for filing late tax returns, would be introduced.

Answering questions earlier, he said the budget deficit this year would "marginally exceed" the Government's target of 7.9 per cent of GNP.

Dr FitzGerald told a stormy session of the Dail yesterday that he had been informed by the British Government that controversial comments about Irish policy on terrorism reportedly made by Sir John Hermon, Chief Constable of the Royal Ulster Constabulary, had been "seriously misrepresented by the media."

Facing angry questioning by Mr Charles Haughey, the opposition Fianna Fail leader, who asked how Anglo-Irish talks on Northern Ireland could proceed after the Prime Minister had been "stabbed in the back" by Sir John, Dr FitzGerald said negotiations with London would continue.

DKB ECONOMIC REPORT

October 1985: Vol. 14, No. 10

Japan's huge trade surplus could be greatly narrowed by expanded personal consumption

The upturn in the Japanese economy, which started in March 1983, entered its 28th month in June, matching the previous record for business expansion which occurred between November 1977 and February 1980. As the economy is still showing strength, presumably the current economic expansion is setting a new record for the longest growth period. Recently, however, this expansion has been losing some of its strength.

Slowing exports

One of the factors weakening the expansion is the slowdown in exports. An analysis of Japan's 10 major export items in 1984 clearly illustrates the downturn in exports. The 10 major export items, which account for more than 50 per cent of Japan's total export value, increased by nearly 30 per cent last year, contributing greatly to pushing up Japan's total exports in 1984. The situation, however, changed this year. During the first seven months of this year, exports of the 10 major export items gained only 17 per cent from the same period of last year. The sole exception is automobiles, registering an 8.5 per cent increase.

The slowdown in exports is attributable largely to poor

shipments to the U.S., the largest customer of Japanese goods. As Japan last year sent 35 per cent of its exports to the U.S., Japan's exports are vulnerable to the U.S. economy. Export prospects are bleak as the U.S. economy is likely to stagnate.

Prospects are also poor for shipments to China, which is now Japan's second largest customer. From January through July this year, China bought 2.1 times more Japanese goods than in the same seven-month period of last year. However, surging imports greatly worsened China's trade balance and jammed Chinese ports and harbor facilities, leading the Chinese government to take import-cutting measures. Under these circumstances, Japan's exports are likely to be slow for the months ahead.

Vigorous capital spending

Private plant and equipment investment, another pillar support of the current economic expansion, still remains firm, although its increasing momentum has been waning gradually. Shipments of capital goods, excluding transportation machinery, in the domestic market, let alone a yardstick to measure capital spending—recorded a 3.2 per cent gain in the first half

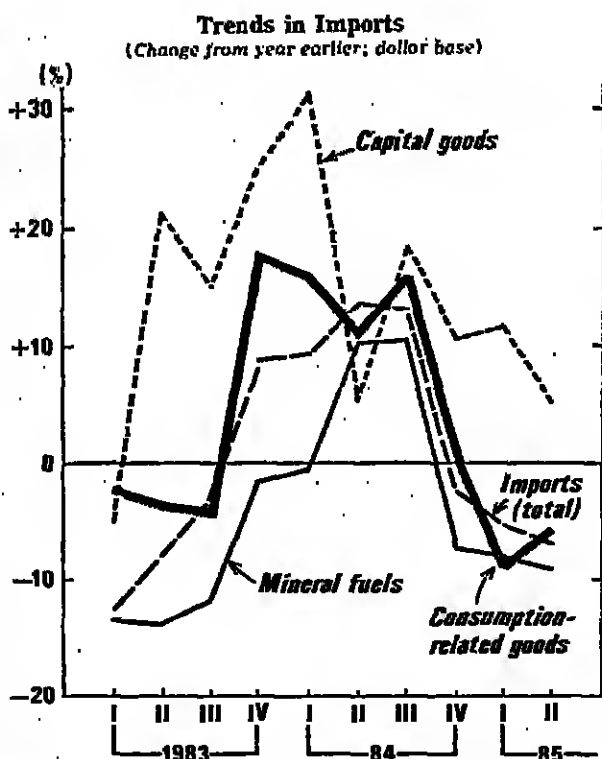
of 1985 from the preceding half-year term. The rate of increase, comparable to the 5.6 per cent gain in the second half of 1984, indicated that corporate capital spending is still strong. An Economic Planning Agency survey aimed at large corporations also confirmed the view, estimating a 5.7 per cent gain from the first half of the year in plant and equipment investment by all industries in the second half of 1985, following an estimated 3.0 per cent rise in the first half.

There are some deterrents, however. Capital spending by small and medium-sized companies has been slowing and semiconductor makers as well as related industries have been revising downward their previously-set plant and equipment investment programmes. These negative factors could be cancelled out by the non-manufacturing industry, whose capital spending has been picking up. Overall, capital spending will continue to expand steadily.

Consumption recovery lacks strength

With economic expansion entering its third year, policy makers are pinning their hopes on the recovery of personal consumption. To their disappointment, however, the recovery trend still lacks vigor. Economic indicators that mirror the trend of personal consumption showed an upturn in the first quarter of this year but slipped again in the second quarter.

Particularly lackluster is consumption spending by wage-earners' households. Slow gains in incomes are one of the major factors for sluggish spending. Disposable income of wage-earners' households increased 4.0 per cent in the first quarter from a year earlier but the rate of increase slowed to 2.8 per cent in the second quarter. Also, the propensity for wage-earners' households to consume is decreasing. This is contrary to the habitual pattern of consumers' loosening their purse strings when their incomes go up while prices are



Notes: (1) Customs clearance basis. (2) Consumption-related goods: food and other direct consumer goods + non-durable consumer goods + durable consumer goods.

Source: Finance Ministry.

stable. This time, consumers are keeping their purse strings tied despite favorable economic environment.

In the third quarter, consumption spending is likely to pick up as the increase of summer bonuses was higher than last year and an unusually hot summer stimulated consumption. Adding these factors together suggests a moderate recovery of consumption spending in the months ahead. The consumption structure of the Japanese economy seems unlikely to change greatly unless drastic steps are taken to expand consumption. A further acceptance of the five-day week system resulting in more leisure time may be one of many solutions.

Import promotion urged

Japan's trade surplus is still expanding. The surplus during the period from January to July amounted to \$28 billion, indicating it will come close to \$30 billion for 1985 as a whole, far outstripping the \$44.3 billion recorded in 1984.

Increased imports are urgent-

ly required to narrow the gap, but purchases from abroad are currently falling short of last year's levels. This is because imports of mineral fuels have dropped more than 10 per cent below last year due to poor quotations of crude oil and other energy sources as well as the progress of energy-saving measures. Slowing consumption is another factor for the poor imports.

An analysis of imports of personal consumption-related products well illustrates the slowdown in consumption. Import value of food and other direct consumer goods in the first half of 1985 dropped 10.8 per cent from the same period of last year, and that of durable consumer goods was almost flat, recording only a 0.2 per cent gain. Among major demand factors of the Japanese economy, consumption affects imports the most. A ¥10 billion gain in personal consumption pushes imports up by ¥1.3 billion. Expansion of personal consumption is strongly called for to narrow the huge trade imbalance.

Talk it over with DKB. The international bank that listens.

DKB We have your interests at heart. DAI-ICHI KANGYO BANK

The next DKB monthly report will appear Nov. 25.

COMING SOON!

ELECTRONIC PUBLISHING

Exhibition & Conference on Corporate & Commercial Publishing

Wembley Conference Centre 5-7 November 1985

From humble office memos to technical documents or glossy company reports, whatever you publish in your business, this is the show for you. It will definitely change the way you do things. And the gains in efficiency, quality, and cost-effectiveness will show on your bottom line.

The Exhibition offers a unique fact-finding opportunity as leading companies in the field unveil their EP products. Exhibitors include DEC, Hitachi, IBM, Langston, Linotype, Rank Xerox, SB Datagraphics, Xyvision and more.

For more information, clip your business card to this advertisement, fill in what interests you and return to: The Conference, The Exhibition, or phone Pam Howard on 01-566 4466.

EUROPEAN NEWS

FRENCH OPPOSITION PUTS FINAL PLANKS IN ECONOMIC PLATFORM

Chirac gambles on TV debate with Fabius

BY DAVID HOUSEGO IN PARIS

HALF THE French population, according to opinion polls, will be watching the debate on television on Sunday night between M Laurent Fabius, the Prime Minister, and M Jacques Chirac, leader of the right-wing RPR party. It will be the first important political confrontation of the campaign for the parliamentary elections next March.

It will also be the first time that the opposition's economic programme comes under detailed questioning from a senior government minister.

Leaders of the ruling Socialist party have been arguing for some time that the opposition's "Thatcherite" programme of deregulation, privatisation and accelerated cuts in public expenditure and taxes will jeopardise the stabilisation programme now bearing fruit after two years.

The opposition has on its side a strong shift in public opinion towards more market-oriented economics. But it also will have a problem convincing voters that its programme involves both a radical departure from current policies and one which does not undermine the success already achieved in bringing down inflation and external deficits.

The televised debate comes at a moment when the two main parliamentary parties in the opposition — the neo-Gaullist RPR and the centrist UDF —



M Chirac (left) will defend opposition's economic policy against M Fabius.

have been putting the final touches to the programme on which they will fight the elections. This tacitly assumes that the parliamentary Right will win an absolute majority in the National Assembly and that M Chirac, as leader of the largest group, will become Prime Minister.

He is eager to do this because he believes it is his best hope of increasing his public standing and thus of establishing himself as the Right's candidate for President.

It was for much the same reason that he took the risk of accepting the Prime Minister's

point of gross national product — about FF 450bn (€45bn) — on an annualised basis.

Among the laws or decrees that the new government would present to the Assembly in the first few months are:

- A framework denationalisation law covering the banks, insurance companies and most industries in the competitive sector. The Right believes it could raise about FF 20bn from privatisation. It would also replace early on the heads of nationalised institutions judged as political appointees.

- The abolition of price controls.

- Initial steps towards the lifting of exchange controls. In particular, importers would be allowed to cover forward while exporters would be given longer to repatriate remittances.

- A law stimulating competition aimed particularly at transport and telecommunications.

- A new statute for the Bank of France giving it more independence along the lines of the West German Bundesbank.

- The abolition of regulations requiring industry to obtain government approval before declaring redundancies.

- The scrapping of regulations giving the established trades unions, a virtual "monopoly" in representing employees.

The 1987 budget planned for September would include further spending cuts of about FF 40bn-FF 45bn. A decision would be taken at the time on how to divide this between cutting the budget deficit and reducing corporate and income taxes. Senior opposition leaders believe, however, that the former will be given precedence under pressure from M Raymond Barre, the former Prime Minister.

In social terms, the strongest opposition will come from the unions who are against changes in the labour laws. But in part to defuse union anger, the opposition election campaign will minimise the cuts in social security spending.

It is because of the difficulty of implementing such a programme while M Francois Mitterrand remains President, that M Barre has publicly declined power-sharing with a Socialist President. At the same time, the Socialists believe that the Right's economic difficulties in 1986-87 and the strong powers that the President still retains, give them a chance of winning the next presidential election.

Poland's new unions condemn level of spending on welfare

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S NEW trade unions, set up to replace the Solidarity movement and now claiming 5m members, have signalled that they intend to press for more government spending on health and social welfare.

The warning comes in an unusually outspoken article in Zwazkowiec, the union's weekly newspaper, which brands as false, official claims that welfare spending in Poland is too high.

The Government is attempting to hold down the welfare budget and increase charges for social services which are traditionally low in Eastern Europe. Its aim is to focus workers' attention on achieving higher wages through increases in productivity.

However, Zwazkowiec claims that social spending levels, which include pensions, health, schooling and family benefits, in other Soviet bloc countries are much higher than in Poland where the share of the national income devoted to this sector has fallen since 1980.

It strikes an ideological note by warning that further cuts would undermine the Socialist system and could lead to working-class upheavals.

The tone is reminiscent of that employed by the hardline faction within the Polish establishment which continues to criticise the Communist party leadership for allowing working class living standards to fall.

Zwazkowiec warns that family benefits and the length of maternity leave are lower than elsewhere in Comecon, while the number of hospital beds per 1,000 population is lower than in Europe as a whole. Old-age pensions, too, are falling back in relation to wages. The average pension is worth only 44 per cent of the average wage today compared with 47 per cent in 1983.

W. Berlin poll critical of allies

BY LESLIE COLT IN BERLIN

A MAJORITY of West Berliners want significant changes in the occupation rights of the three Western allies in the city according to a poll taken for West Berlin radio and TV.

Sixty per cent favoured having German courts try allied soldiers accused of violating German laws in Berlin. The Western allies argue that it would affect the status of Berlin and allied rights and responsibilities.

A recent case involving a British soldier accused of

raping a West Berlin woman caused resentment in the city when a British army court acquitted the soldier.

The allies also ruled that a West Berlin court could not exercise jurisdiction in a law suit brought by West Berliners to prevent the operation of a controversial British army firing range near their homes.

The poll disclosed that a growing number of West Berliners appeared to favour concluding treaties with the Soviet Union and East Germany to

take the place of Western allied guarantees to defend West Berlin. Thirty per cent said such treaties would make the city "more secure," 67 per cent said it would become "less secure."

An allied official said West Berliners appeared to be forgetting the historical background to the allied presence in the city and the sovereignty the three Western allies exercise there. He cautioned, however, against hasty policy decisions on such polls.

Soviet economic problems

Consumers with little to consume

BY PATRICK COCKBURN IN MOSCOW

IN THE last four years consumption of alcohol in the village of Losikha in the Altai region of Siberia has jumped from 24 litres per villager each year to 35 litres a year.

The reason for the increased drinking is the success of a new system of incentives introduced on a near bankrupt collective farm called "The Road to Communism" on which most of the villagers work.

The collective farm was "on the rocks" in 1981, writes a reporter from the Daili Kommunistika Pravda: "Plans were unfulfilled. Another 120 workers were needed. Milkmaids drank along with herdsmen and cows went un milked for days."

The incentives, introduced by the Siberian Institute of Economics and Industrial Organisation, was an immediate success. Within two years the farm was making a profit of Roubles 1.5m (€1.5m). The wages of farm workers tripled. The problem was where to spend the money.

In nearby Losikha, population 1,400, there was only margarine, pearl barley, nails and some 10-year-old elastic-sided boots in the shops. Although the villagers had Roubles 1.5m in bank accounts there were only Roubles 288,000 worth of goods in the village shops and no less than Roubles 200,000 were unsaleable.

The only place the extra money could be spent locally was in the wine shop. Alcohol sales have jumped from 48 per cent of food sales four years ago to 64 per cent today.

One worker on the collective farm named Vasily Mazayev made roubles 4,500 in the first year of the experiment whereby payment is by results under a new contract system. The next year he stopped sharing his work with another worker on the farm and his earnings doubled.

The problem is that the Mazayev family only buy bread, sugar, salt, and matches in the local shops and the rest of the money goes into a bank account. Once a year, when the couple take their annual holiday, Nina Mazayev, Vasily's wife, withdraws their savings and flies to Moscow where she buys overcoats, children's tights and

other goods unobtainable in Losikha.

The case of Losikha may be extreme because the village, north of the Chinese border, is so far from the more heavily populated parts of the country. But the empty shops are not atypical of the rest of the country and the problem facing Mr Mikhail Gorbachev, the new Soviet leader, in providing the consumer goods needed to reward improved productivity are to prove effective.

To ensure that there is more to "buy in the shops" a programme was introduced last week for an increase in the production of consumer goods by 30 per cent by 1990. Services are also to be improved. At the moment they account for only 10 per cent of family spending but demand is believed to be twice as high as this.

Horse and car repairs are normally carried out through the black market.

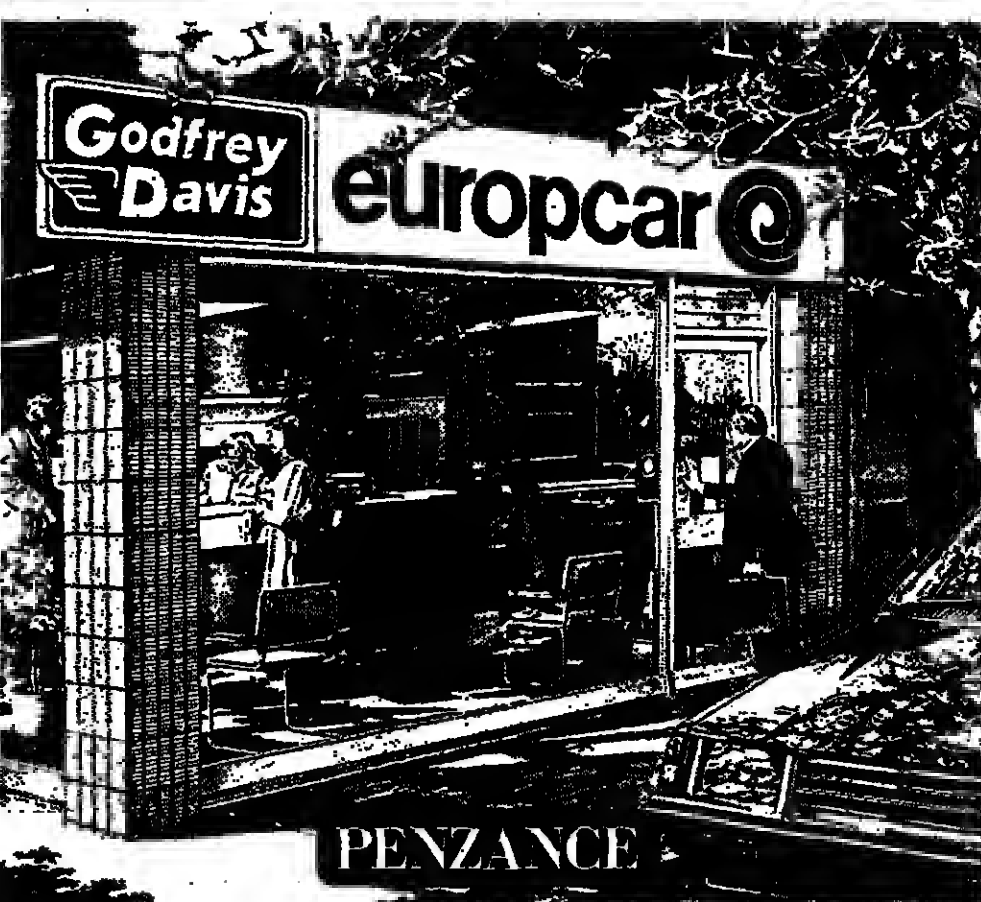
The problem is that light industry has never received the same priority as heavy industry in the Soviet Union. Much of the equipment in textile plants is obsolete.

The same is true of much of the food industry. Moves towards greater flexibility in reacting to demand and not simply boosting output to meet the norms of the plan have been slow in implementation.

But even if there is greater flexibility in organising over the next five years there is still the need for more capital investment. This may not be available on the scale needed. In the Ukrainian food industry, which controls 1,200 enterprises, 45 per cent of equipment is out of date but is being replaced at a rate of only 1.5 per cent a year.

The Kremlin is adamant that consumption will go on rising despite the need for investment in heavy industry and defence, but the amount of new machinery which can be produced for light industry is limited. On the other, the need to offer incentives for higher productivity and better quality goods means that there must be products in the shops on which these increased earnings can be spent.

EUROPCAR'S NATIONAL WELCOME



PENZANCE



INVERNESS

From Britain's Biggest Car Rental Service.

Most car rental companies pride themselves, not unreasonably, on the standard of their service.

But they're usually quieter about the extent of that service. Which is not surprising when you look at the facts.

Europcar have over 270 outlets ready to welcome you across the country. More than our two nearest competitors put together. A welcome fact for the business traveller.

We have rental facilities at 75 InterCity stations.

That's 75 more than anyone else.

And we have rental locations at 25 UK airports.

Which means there's a Europcar branch nearby to welcome you when you need a car. And when you need to drop it off. Wherever you are. Because our

One Way Rental Service means you can leave the car at any of our locations. Not just where you started from. So we can fit in with your plans.

We have the largest self-drive rental fleet in the country. With a range of over 35 models. From Metros to Mercedes.

So we're more likely to have a car for you. And more likely to have the car you'd prefer to drive.

You'd expect friendliness and efficiency from any major car rental company.

But only Europcar can offer you real convenience, flexibility and choice.

Call our Central Reservations Office on 01-950 5050.

You'll find it a welcome change.



In the US and Latin America it's National Car Rental.

THE WORLDWIDE WELCOME

SMALLER THAN A WHISPER

Ultra mini microphone picks up even whispered conversations. Use it with any pocket recorder or one of our many specialist recorders. We specialise in reliable and accurate recordings. Electronic communications and security needs. Come in for 5 minutes now and be amazed forever.

62 South Audley St.
Mayfair, London W1
Tel: 01 629 0229

COUNTER SPY SHOP

Fully equipped Business Centre

with secretarial service, facsimile, 24-hour telex and prompt message delivery. Most modern accommodation in Seoul. Ideally located.

For reservations call your travel agent, and Hilpo International hotel or Hilpo Reservation Service.

SEOUL HILPO INTERNATIONAL

WHERE THE WORLD IS AT HOME™

OVERSEAS NEWS

U.S. offers to increase Tunisia aid

BY OUR NORTH AFRICA CORRESPONDENT

THE U.S. has offered to increase its aid to Tunisia in an effort to improve its links with the country.

Relations between the U.S. and its North African ally have been severely strained in recent weeks in the wake of President Reagan's initial justification of the Israeli raid on the Tunisian headquarters of the Palestine Liberation Organisation (PLO).

The increased, but as yet

undetailed, aid offer was made by Mr John Whitehead, the U.S. deputy Secretary of State, on a visit to Tunis which ended yesterday. His visit was the culmination of a Mediterranean tour that included visits to Italy and Egypt to explain the U.S. role in forcing down the Egyptian Air plane carrying hijackers of the Italian cruise liner Achille Lauro, who made the offer in personal talks with

Mr Ismael Khellil, the Tunisian Minister for Planning, also said before leaving Tunis that the Israeli bombing "surprised and shocked Americans as much as it did Tunisians."

He deplored the "tragic and unnecessary loss of innocent lives" and reiterated Washington's position that the U.S. was not involved in the raid nor had advance knowledge of it.

The offer will certainly be welcomed by Tunis. U.S. loans

and grants will already be worth about \$31m (£21.6m) this year, an amount unchanged from 1984 but which contains a larger grant element.

Military credit lines are running at about \$85 annually, but this year they include a 30 per cent concessionary element for the first time.

The Tunisians have not used any of the agricultural lines of credit on offer this year because they enjoyed a record crop.

Francis Ghiles reports on World Bank criticism of Tunis policy

Bourguiba's model faces an update

PRESIDENT Habib Bourguiba, Tunisia's autocratic 84-year-old leader, has presided for nearly 30 years over what major lending institutions and Western governments have regarded as a model of Third World economic development.

The model, however, is coming under severe strain as a confidential World Bank report discloses, highlighting a growing current account deficit, rising unemployment and falling oil exports.

The situation arouses particular concern in the U.S., which is anxious to secure long-term stability in Tunisia, a major North African ally which has an important strategic role and takes a moderate stance on Middle East issues.

This week's visit to Tunis by Mr John Whitehead, the U.S. Deputy Secretary of State, therefore went beyond the need to repair the damage to U.S.-Tunisian diplomatic relations in the wake of the Israeli raid there on the Palestine Liberation Organisation's offices and the initial unsympathetic response from President Reagan.

The U.S., observers in Tunis believe, will now play a major role in the country's efforts to carry out far-reaching economic reforms.

In its 45-page report handed to the Tunisian Government last month, the World Bank summarises policy recommendations which, if implemented, would represent a major liberalisation of the economy.

The most contentious single proposal is for the devaluation of the Tunisian dinar.

The report highlights the impact of fluctuations in the price of crude oil, which accounts for over a third of export earnings. The post-1974 increases in world oil prices initially stimulated



President Bourguiba repairing relations with the U.S.

The World Bank report states that gains in employment will only be made if those who have a regular job do not seek to improve their standard of living in coming years.

The budget deficit has also been pushed up from 1.7 per cent of gross domestic product (GDP) to 2.8 per cent between 1981 and 1984. The current account deficit, which reached a record Dinars 588m (£226.4m) last year, now amounts to 11 per cent of GDP instead of 7 per cent four years ago, despite an increase in the value of receipts from Tunisian workers abroad.

Servicing the foreign debt, which stands at around \$4.2bn (£2.9bn), will absorb 22.5 per cent of export receipts this year and cost 44 per cent more than in 1981.

Major criticism is levelled at the private sector for over-investing in real estate and building—a subject of considerable conspicuous consumption—but failing to achieve targets set in the Plan where the mechanical and electrical industries are concerned.

As for the state sector, it invested too much in housing, water treatment, administrative buildings and downstream industries in the phosphate sector.

What the Bank is suggesting is nothing short of a major reallocation of capital resources, major encouragement for exporters, an increase in the price paid to farmers to stimulate production and cut imports and, most controversial of all, a devaluation of the dinar.

Senior Tunisian civil servants and bankers do not disagree substantially with much of this diagnosis, especially where state companies are concerned. They say, for instance, that trying to convince

the Tunisian banks to take a stake in the capital of Tunis Air, as the Government has attempted while refusing to allow them any say in running the operation, simply will not wash.

However, they are not convinced by the devaluation argument, and point out that Tunisia's major exports, such as oil phosphates and fertilisers are not price elastic.

The most important market for Tunisian manufactured goods, the EEC, is very restrictive and analogies with South Korea, which they feel the report implicitly takes as a model, are unhelpful because of the sheer size and sophistication of that country's exports. A further point made is that Asian labour accepts working conditions which their Tunisian counterpart simply will not accept.

Civil servants and businessmen do not accept that the country has overinvested in expensive fertiliser industries. They point to the success this sector has had in winning contracts to build plants in Turkey, India and China.

In any case, said one banker, the authors of the report "do not like to see a country like ours competing with Western companies for high value-added contracts."

Nevertheless, the report should help stimulate the economic debate: the present state of affairs cannot continue forever when state companies act as welfare nannies and increasingly make appointments based little on merit, and when the private sector often pockets quick profits without shouldering much of the country's social costs.

Mubarak praised for 'decisive action'

By Tony Walker in Cairo

PRESIDENT Mubarak of Egypt has emerged from the Achille Lauro affair with his reputation inside his own country enhanced and with the commendation of Western officials.

Egypt's leader appears to have turned a difficult and dangerous circumstance to his advantage. Rather than exposing Egyptian weakness, the episode has underlined Egypt's importance as a relatively stable and pro-Western country in a turbulent region. Mr Mubarak's rebuke to the U.S. in which he described the interception of the Egyptian plane carrying the four hijackers of the Italian cruise liner as "piracy" seems to have struck a chord among Egyptians who were generally outraged by the U.S. action.

Few voices in Egypt have been raised against the Government's handling of a potentially explosive incident. Whilst protesters on university campuses have criticised the Mubarak Administration over its pro-Western stance, most anger has been directed against the U.S.

A commentary by Mr Mustapha Sherdy, a member of parliament and editor of El Wafd newspaper of the main opposition grouping, appears to sum up the feelings of many Egyptians.

"When an unexpected dangerous situation occurred, Mubarak was up to it," wrote Mr Sherdy. "He was decisive and definite in his confrontation with the strongest country in the world. He was honest in his statements of blame and rebuke."

Mr Mustapha Amin, a prominent columnist in the mass circulation Al Akhbar and, at times, ascribable critic of the Government, said that Mr Mubarak had gauged the mood of the country.

Mr Mubarak, whose administration is grappling with a burdensome foreign debt, worsening balance of payments and a worrying increase in inflation, said in an interview with Time magazine at the weekend that reconciliation with the U.S. would take "a long time."

"... it needs efforts by both sides. We have mutual interests, so both of us must work hard to overcome this obstacle," he said.

Japan's shipbuilding council holds talks on further job cuts

BY YOKO SHIBATA IN TOKYO

TALKS AIMED at agreeing further capacity and job cuts in Japan's shipbuilding industry began yesterday, as latest figures showed a sharp drop in new export orders obtained in September.

But the discussions of the Council for the Rationalisation of Shipping and Shipbuilding, a Japanese Government advisory body, are not expected to result in great short-term recommendations for several months, because companies have differing views on how to achieve the reductions.

The inquiry, held against the background of severe over-capacity in world shipbuilding as new business has tailed off, will centre on four main areas:

- Reduction of operations in individual yards
- Cuts in total building activities
- Promotion of ship scrapping
- Employment problems resulting from the reduction in the industry

The industry itself wants capacity cut by nearly 1m compensated gross registered tons (cgrt)—a measurement taking account of work content as well as ship capacity—from

the present 4.3m cgrt, and the labour force from just over 80,000 to around 40,000.

Japan, still the world's main shipbuilding country, has faced strong competition from South Korea for several years, with China recently emerging as a force in the industry.

The Japanese industry cut its facilities by around 35 per cent five years ago, when yard capacity proved too large for the smaller demand which followed the 1970s oil crises.

In the last decade, Japanese shipbuilding capacity was expanded considerably.

Highlighting the extent of the crisis, figures from the Japan Ship Exporters' Association showed that new export orders obtained in September were worth only ¥10.9bn (£55.5m) compared with ¥37.1bn in the same month of 1984 and ¥82.2bn in September.

Over-capacity in the Japanese shipbuilding industry was put at around 30 per cent earlier this year by the Japan Foundation for Shipbuilding Advancement, which is funded by the industry. "No recovery in demand is likely in the near future," it stated.

Liberia to meet IMF in bid to clear arrears

BY PETER BLACKBURN IN MONROVIA

LIBERIA'S Finance Minister is having talks in Washington this week with the International Monetary Fund on ways to clear the country's arrears so as to open the way for a new standby agreement.

The talks, coming before the results of last week's presidential and legislative election results are announced, show the urgency attached by the Government to improving relations with the IMF.

"Now the elections are over we can give priority to the economy," Major G. Alvin Jones, the Foreign Minister, said.

Government arrears with the IMF stood at \$22.6m (£15.8m) at the end of September, according to Major Jones. The arrears are expected to double by the end of the year unless more aid is forthcoming.

He explained that the decline

in world markets for Liberia's main exports—rubber and timber—had led to a sharp drop in revenue.

The Government will soon take steps to cut the civil service to 30,000 from 37,000 in an effort to reduce the public payrolls which absorb two-thirds of Government revenue, he added.

The Government has found it increasingly difficult to service official debt estimated at nearly \$18m. Debt service of about \$180m and representing over 40 per cent of projected export earnings is unlikely to be met this year, Bankers said.

The Government relies heavily on the U.S. economic support fund (ESF) to service its debt but Congress has made further disbursements conditional on the holding of "free air fair" elections.

Israel drops bank rate to 4%

By Walter Ellis in Tel Aviv

ISRAEL'S prime bank rate drops today from a spread of 6 to 6.5 per cent a month to a standard 4 per cent.

The Bank of Israel is opposed to lower rates because it fears the country's money supply will rise sharply and threaten the Government's economic stability programme, which is now into its fourth month.

Many Israeli companies currently face acute financial difficulties, and an easing of credit is likely to act as a lifeline to some and an encouragement to others.

The coalition Government endorses the Central Bank's fears over the effects of reduced rates. However, the Government has come under increasing pressure from manufacturers and the hard-pressed, self-employed, and Treasury officials are understood to have backed the commercial banks' decision.

Bank Leumi, the biggest commercial bank in Israel, started the trend last week. Now others have followed suit.

Inflation, meanwhile, continues to show signs of relative improvement.

For the first half of this month, the rise in the consumer price index was 2.5 per cent, giving a cumulative increase for the year so far of around 170 per cent. Last year's cumulative rate was 435 per cent.

Pretoria and Maputo in talks

HIGH-LEVEL contacts between South Africa and Mozambique covering security matters and bilateral relations are continuing despite the Mozambican decision last week to withdraw from the formal joint security commission set up under the March 1984 Nkomati accord, writes Anthony Robinson in Johannesburg.

Mr P. Botha, the South African Foreign Minister, and his deputy Mr Ron Miller met Mr Sergio Vieira, the Mozambican Minister of Security, and Mr Fernando Howana, President Samora Machel's security adviser at the frontier town of Komatipoort on Tuesday. Foreign Ministry officials declined to give details of the talks but the year understood to be aimed at restoring cooperation between the two countries.

"THE \$1,000,000 SWITCH"



Switch to the KnowledgeMan/2 family and get the business software that's friendlier and more powerful than Ashton-Tate's dBASE products



If you're ready for software that's easy to use with all the power your business needs, switch to KnowledgeMan/2.

If you're frustrated with the limitations of your present business software, there will never be a better time for you to switch.

We're so confident KnowledgeMan/2 is better for you than dBASE and other competitive products, we're giving away \$1,000,000 to find the best "Why I switched to KnowledgeMan/2" testimonial.

For details on "The \$1,000,000 Switch" contest, call the KnowledgeMan/2 registered dealer in your area. See KnowledgeMan/2 in action at your local dealer. If he doesn't have it, don't take second best, ask him to get it for you through his distributor.

KNOWLEDGE man/2

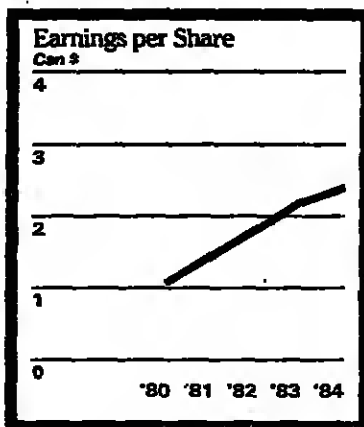
mdbs and KnowledgeMan/2 are registered trademarks of Micro Data Base Systems, Inc. dBASE is a trademark of Ashton-Tate.

*Contest rules available from mdbs and participating dealers. \$200,000 will be awarded to the winning entrant. A \$1,000,000 prize will be awarded to a registered dealer and a \$100,000 prize will be awarded to a registered dealer's person in accordance with the contest rules. All prizes will be paid in 2 annual installments. This contest is subject to all applicable laws and is void where prohibited by law or where the sponsor is subject to any taxation as a result of the contest.

mdbs

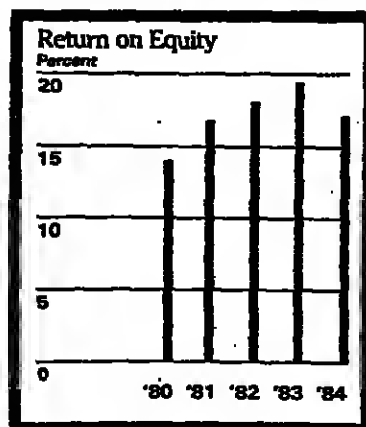
TransCanada PipeLines is going places

TransCanada is a major player in Canada's resource-rich energy industry. From our origins as the builder and operator of one of the world's longest gas transmission systems, we have grown and diversified.



We have major investments in other North American pipelines, including Northern Border and Great Lakes. We are an aggressive marketer of gas in the United States and are involved in several potential new pipeline ventures. And we are increasingly active in the development of oil and gas properties in Canada and the United States.

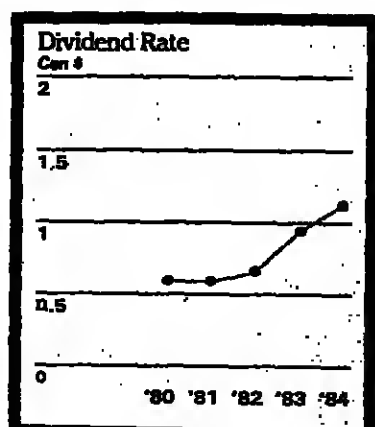
We are a growth company. Net income has increased from \$102 million* in 1980 to \$265 million in 1984. Our earnings per share have jumped from \$1.09 to \$2.41 and were \$2.58 for the 12 months ending June 30, 1985.



Our annual dividend rate has almost doubled, from 58¢ to \$1.12. And our earned return on equity over this period has averaged 17½ percent. Now, with substantial cash reserves, we are pursuing further expansion through growth and acquisition.

In the world of energy, TransCanada is going places.

The Company's common shares are listed on the Toronto, Montreal, Vancouver, Alberta and Winnipeg stock exchanges in Canada, and the New York Stock Exchange in the United States.



For a copy of TransCanada PipeLines 1984 annual report, write to: Mr. Gary Lloyd, Director-Investor Relations, P.O. Box 54, Commerce Court West, Toronto, Canada, M5L 1C2.

*All figures in Canadian dollars



TransCanada PipeLines

U.S. chip makers in new attack on Japan

By Louise Kehoe in San Francisco

THE U.S. semiconductor industry has reiterated its trade complaints against Japanese chip makers, claiming that the Japanese defence against accusations that its market is protected from foreign suppliers is invalid.

In a brief filed with Dr. Clayton Yeutter, U.S. Trade Representative, the Semiconductor Industry Association (SIA), a trade group representing all U.S. chip makers, refuted arguments put forth by Japanese industry representatives.

Last month, the Japanese challenged the claims of the SIA trade complaint under Section 301 of U.S. trade laws.

In their complaint, the U.S. semiconductor companies have petitioned President Ronald Reagan to take "appropriate action to achieve fair and equitable market access and to prevent dumping."

Separately, two anti-dumping suits have been filed by U.S. chip makers, and a third is understood to be pending. Japanese claims that the complaint under Section 301 misrepresents the U.S. Japanese trade imbalance by ignoring the role of U.S. non-merchandise exports and by including trade in "discrete" semiconductor components — transistors, resistors and the like — are "a gambit to confuse the issue," according to the SIA.

The U.S. Department of Commerce has called the Japanese numbers "misleading and inaccurate," the SIA said. The Japanese attempt to attribute U.S. companies' low market share to competitive shortcomings and the fundamentally different composition of the Japanese market is inadequate, the SIA goes on.

Drive to boost trade ties with South America

By Our Trade Editor

THE first of a new kind of British export promotion, to the bigger markets of South America, was launched by Mr. Paul Channon, Trade Minister, in London yesterday. In its first stage the so-called selective marketing strategy is focusing on organic chemicals "and instrumentation."

The promotion is designed systematically to retrieve Britain's fast-declining share of the Latin American market. The UK share of industrialised nations' trade with the continent has declined from 5.7 per cent in 1970 to 2.5 per cent last year.

Mr Channon said the selective marketing approach was South America, but might be adopted for other regions.

Iraq credit line accord signed

NEARLY £200m of trade loans for Iraq to support British exports were signed yesterday by a syndicate led by the Midland Bank, our trade staff writes.

The bulk of the credit line is guaranteed by the UK Government's Export Credits Guarantee Department under a renewed £300m financial protocol between the two governments.

The arrangement signed yesterday consists of three elements: a £100m medium-term line of credit for the sale of capital goods and services, a £50m short-term line for medical equipment and pharmaceutical products, and a £50m commercial loan guaranteed by the central bank of Iraq.

Four-wheel drive sales set to rise 40% in Europe

By John Griffiths

FOUR-WHEEL-DRIVE car sales in Europe are on course to reach a quarter of a million this year—a 40 per cent increase over 1984.

In Switzerland, because of its mountainous terrain and severe winter, four-wheel-drive cars accounted for more than 10 per cent of the new car market in this year's first half—the first time they have broken through the 10 per cent level anywhere in the world, according to statistics from Automotive Industry Data.

AID's figures cover only six European markets: West Germany, France, Italy, the UK, Switzerland and Austria, and thus are likely considerably to understate the total.

Even so, these cars now account for 2.2 per cent of the West European total and AID forecasts in its latest newsletter that "growth rates are bound to strengthen as the autumn months see an increased variety of models hit the showrooms of Europe for the all-important winter selling season."

West Germany has become the largest market in unit terms, with sales during the year's first eight months rising by 48.2 per cent to 46,681 compared with the year-ago period. AID points out that Japanese and European car

makers have long held the belief that new innovative and real technical advances can do their part in rejuvenating demand levels in Europe, and for that matter in the rest of the developed world.

Crediting Audi—which now offers all its cars in four-wheel drive versions—with starting the trend in Europe, it says that Volkswagen, which is launching a similarly driven Golf hatchback, "seems almost certain to convince the rest of the industry to follow."

Meanwhile, widespread fears that the introduction of stricter EEC legislation to curb exhaust emissions would lead to the demise of the performance car market are proving unfounded, according to AID.

The fears have been based on U.S. experience, where the introduction of exhaust catalysts led to substantially poorer performance, and fuel consumption worsened by 10-15 per cent.

However, AID observes current development of catalyst cars within Europe shows only a small gap in performance and economy (Porsche, in fact, offering catalyst and non-catalyst cars with identical power outputs).

"There is a growing belief that within two to three years the gap will have been bridged."

Hong Kong airline boosts chances on China routes

By David Dodwell in Hong Kong

SIR YUE-KONG PAO and Mr. Ronald Chao, two prominent Hong Kong businessmen who hold British passports, yesterday took substantial equity stakes in the Hong Kong Airline, Dragonair, the fledgling carrier bidding to ply a number of routes into China from the British territory.

The investments are part of an injection of HK\$200m (£18.6m) of equity capital into the airline.

They are also intended to overcome problems over Dragonair's eligibility to operate as a carrier on scheduled routes from Hong Kong.

Sir Y. K. Pao is to replace

Mr. K. P. Chao—Mr. Ronald Chao's father—as chairman of the airline, with Mr. K. P. Chao becoming vice-chairman. Further boardroom changes are expected.

Announcement of the capitalisation came as a team of Dragonair executives prepared to fly to Peking for talks with China's civil aviation authority on how it would operate services between Hong Kong and 10 cities on the mainland. An application for licences to fly the routes is due to be heard in Hong Kong on November 8.

Dragonair's applications to operate charter flights into China have up to now been refused. This has been partly

due to Sino-British negotiations now in progress over a new air service agreement.

Flights between Hong Kong and Chinese destinations have been a particularly sensitive issue in these talks, with China's national carrier, CAAC, operating 59 flights a week, compared with five flights by British carriers.

The next round of talks is due to be held in London from November 11.

Dragonair also recently discovered that under existing regulations, it would not be eligible to operate scheduled flights into China unless it was substantially controlled by British nationals. Major invest-

ments by Sir Y. K. Pao and Mr. Ronald Chao overcome this problem.

Dragonair was set up in March this year as the sole subsidiary of Hong Kong-Macao International Investment, a company backed by influential Hong Kong and mainland Chinese business.

Until now, Dragonair has been capitalised at a nominal HK\$10,000, with financial backing amounting to HK\$500m from its parent.

Under the new plan, Sir Y. K. Pao has made a commitment to buy a minimum of 60m shares in Dragonair at a price of HK\$1 per share.

Of this investment HK\$50m

will be made through his publicly-owned shipping subsidiary East Asia Navigation, with the remainder from one of his private companies.

Mr. Chao plans to buy 39m shares in his private capacity. This will give him a 19.5 per cent holding in the company, compared with 30 per cent in Sir Y. K. Pao's hands.

Hong Kong-Macao International Investment has agreed to take a 25 per cent stake. Other major shareholders in the parent—including Mr. Li

Rashid, Mr. Henry Fok, and Mr. Tony Fung—have options that remain open until the end of October to buy the outstanding 25 per cent of Dragonair.

Any shares not taken up will be bought by Sir Y. K. Pao and Mr. Chao.

Dragonair at present consists of just one 120-passenger aircraft, which has since June made a weekly round trip to Kota Kinabalu in Sabah, and has otherwise been grounded at Hong Kong's Kaitak Airport.

Controversy has focused on the strong mainland Chinese backing that has emerged for the airline, and the threat this constitutes to Cathay Pacific, which is generally seen as Hong Kong's flag carrier and at present has a monopoly of flights by any Hong Kong-incorporated airline to destinations in China.

Austrians poised for Indian dam order

By Patrick Blum in Vienna

AN AUSTRIAN-LED consortium of Austrian and West German companies is poised to win a major order for a hydro-power plant and dam in Northern India, according to Universale Hoch und Tief Bau, the Austrian construction company leading the consortium.

After about a year of negotiations with the Indian authorities, and despite strong competition from a French consortium, Universale says it hopes for a decision by the end of November and that it is well placed to win the contract for the Sch 12m (S457m) Dul Hasti project, in Jammu and Kashmir.

Orders worth about Sch4.2bn would go to 13 Austrian companies and of Sch 2.8bn to two West German companies including AEG-Telefunken. Indian groups would be responsible for additional civil work and supplies worth about Sch.5bn.

The Austrian companies include Universale-Bau and Allgemeine Baugesellschaft—A. Porr for construction work, Voest-Alpine, J. M. Voith and Elin-Union for engineering, machinery and electrical equipment.

If the Austrian bid is successful, it will be one of the largest contracts awarded to Austrian companies.

EEC to be pressed for change in farm trading policies

By William Dullforce in Geneva

THE EUROPEAN Economic Community will be strongly pressed to change its farm trading policies and its attitude on protection of domestic industry in new international trade negotiations next year.

Many countries have signalled that they want priority given to these two issues during discussions among senior officials in Geneva over the past two weeks.

The officials are preparing the ground for a decision to be taken on the new round of trade talks in the General Agreement on Tariffs and Trade (GATT) at

the end of November. So far, they have not tackled the controversial issue of trade-in-services but countries have been laying out their positions on a wide range of other matters.

Developing countries have underlined that their farm products have been squeezed out of markets by the battle over subsidies to farmers which has turned the EEC from major importer into an exporter with

a decisive influence on prices. The U.S. wants farm products to come under rules similar to those GATT applies to manufactures.

The EEC has said it is ready to re-examine its protection for community farmers provided any measure agreed forms part of a balanced package covering trade in general.

Other countries should recognise, however, that the Community's common agricultural policy had sought reasonable social objectives.

Brussels has also found itself out of line with most other

countries over the issue of safeguards, the temporary measures which Governments may take under GATT rules to ease adjustments in industries under pressure from imports.

Most countries want safeguard action to follow the GATT most-favoured-nation principle under which measures have to apply without discrimination to all members.

The EEC insists on its right to operate selective safeguards against individual countries.

Something like a consensus has emerged that a standstill to discriminatory trade practices

should be declared before the trade negotiations start.

Differences remain over whether there should be a commitment in advance of the talks to roll back protective measures or whether the rollback should be, as the U.S. proposes, part of the negotiation.

The developing countries have put in strong pleas for real action to allow their exports special treatment.

In contrast, the EEC suggested that developing countries which had made good economic progress should start shouldering normal GATT obligations.

Pushing forward the frontiers of communication. The AES Team Reports.

Home News:

All things to all people-compatibility is the key to it!

"We are extending the traditional boundaries of office automation by addressing the needs of the manager."

Brave words from the new product development team at AES worldwide's research centre in Canada! No longer does "office automation only benefit secretarial and clerical staff—leaving their bosses out in the cold."

Now everyone can use the new AES 7300 system to make their work life run more smoothly.

Diary, expenses, spreadsheets, sales figures—they're now on the desk at the push of a button, thanks to a system that talks in everyday language to everyone.

This new system in the 7000

series—the ultimate in office automation technology—is the product of months of research into key work group activities in the office—which lead to one key conclusion. Compatibility and versatility are the keys.

Desk Philosophy

Four into one won't go—that's what most people believe. But with AES it will as their four desk philosophies prove.

Most office activity involves the people behind four key desks—Managerial—Professional—

Secretarial—Clerical—all need to communicate and work together. Sometimes using the same information and sometimes using quite different information. Each from their own office.

The AES 7300 office automation system allows them to work closely together but retains their independence.

The Manager and Secretary can both refer to the same letters, data and reports. The Professional can access corporate data bases, whilst the Typist can get on with the complex document. All together—all independently. All on one system.

The vital four will go into one so the whole team can pull together—saving time and cost, ensuring improved productivity.



The AES 7300—Electronic job support for executives and managers.

International News:

West Germany says 'Ja' to AES

After a long, hard look at all the major suppliers of office automation equipment, the Deutsche Bundespost (West Germany's Post Office) chose AES to solve their problems.

They ordered 96 of the AES 7300 systems introduced earlier this year.

Why did AES come up trumps? It's simple.

According to Ray Glover, managing director of AES Data (UK)—

"Our systems came through the 3 month test-run without a single breakdown..."

but then—we've always been renowned for reliability."

Important strides made by AES in network communications played a vital role in the choice of system for the Deutsche Bundespost telecommunications division.

Office News: AES PC OK!

In a further move towards the totally integrated office automation system AES—world leader operating in 55 countries around the world—has now added a personal computer to its range.

The eagerly awaited PC was developed for total compatibility within the AES networks allowing PC users to access all parts of their office system—and to be IBM compatible—so users can work independently using the vast



range of application software that's now available.

Ideally suited to anyone needing instant access to a wide variety of information—it's yet further proof of AES's plans to push forward the frontiers of communication.

For further information on office automation systems call Freefone AES Data.

To: AES Data (UK) Ltd, 170 Windmill Rd, Sunbury-on-Thames, Middlesex TW16 7HH. I would like to receive more information on AES office automation systems.

Name _____ Position _____

Company _____

Nature of Business _____

Address _____

Postcode _____

Telephone _____ Telex _____

The complete office automation system is available now From AES.

Nobody has a complete system quite like ours. By complete we mean service, supplies, training, software, compatibility and total networking.

Plus risk-free viability, not only can you have it all now—when tomorrow brings new equipment it will all fit.

So send off the coupon or call us on Freefone AES Data. Our system is available now. Not soon. Not tomorrow. But now.

AES

The heart of the office.

AES Data (UK) Limited, 170 Windmill Road, Sunbury-on-Thames, Middlesex TW16 7HH

AMERICAN NEWS

Congress urged to reject nuclear pact with China

BY NANCY DUNNE IN WASHINGTON

THE PROPOSED U.S. nuclear co-operation agreement with China is running into trouble in the Senate where a prominent senator has charged the Reagan Administration with a "cover-up of vital information" about China's export policies to five "nuclear out-law nations."

Democratic Senator Alan Cranston, former candidate for his party's presidential nomination and a member of the Senate foreign relations committee, said in a speech on the Senate floor that "China has either engaged in serious trade negotiations with or actually has continued a series of nuclear exports with the nuclear outlaw nations of Brazil, Argentina, Pakistan, South Africa and Iran."

He accused the Administration of systematically withholding, suppressing and covering up information which Congress would find worrisome in reviewing the draft agreement signed by President Reagan last year.

Congress has until January to veto the 30-year pact, which would allow U.S. contractors to sell reactor components and other technology to China. If Congress fails to act, the agreement will automatically go into effect.

The Senate foreign relations committee met in secret session early this month and heard intelligence reports suggesting that China might provide nuclear technology to



Cranston... cover-up claim

Iran after the U.S. nuclear pact goes into effect, according to yesterday's Washington Post.

Many senators are already upset about Chinese assurances that they do not sell conventional arms to Iran, despite U.S. intelligence reports to the contrary.

Senator Cranston said he would work to get Congress to reject the agreement or to propose substantial alterations in the terms under which the U.S. would license any nuclear export to China.

A spokesman said Senators John Glenn of Ohio and William Cohen of Maine have pledged their support to Senator Cranston.

Prices increase 0.2%

BY OUR WASHINGTON STAFF

THE U.S. inflation rate maintained its moderate course in September as consumer prices rose 0.2 per cent on a seasonally adjusted basis according to the Labour Department.

Energy prices and used car prices continued to decline, although food costs, which had been moving down, rose 0.3 per cent.

The cost of housing rose only 0.3 per cent, after increasing 0.5 per cent in August, and the price of medical care rose 0.5 per cent, the same as in the pre-

vious two months.

Meanwhile, the Commerce Department reported a sharp 1.1 per cent drop in U.S. factories for durable goods. However, the fall was seen as a positive sign on Wall Street because it came mainly from changes in defence orders, which are usually volatile.

The key category of non-defence capital goods showed a 4.7 per cent increase last month, after rising 3.3 per cent in August.

UAW leader claims Chrysler victory

BY TERRY DODSWORTH IN NEW YORK

THE U.S. car industry has just treated the world to yet another characteristic demonstration of its macho wage bargaining techniques.

For 42 hours, until the deadlock was broken yesterday morning, Chrysler and the United Auto Workers had been locked in a non-stop negotiating session, both sides anxious for an agreement, and neither of them willing to show the first sign of weakness.

Then at 3 am on the second day of these marathon talks, Mr Owen Bieber, president of the union, emerged trumpeting victory. The company, he said, had agreed to give its 70,000 employees full parity with its workers in General Motors and Ford.

Even more, they were all to receive a lump sum payment "in recognition of their contribution to rescuing this corporation from the brink of disaster and returning it to a healthy state."

By the time Mr Bieber made this announcement the physical resources of the teams of negotiators were running thin. The only sleep officials had been able to snatch over the two days was in the odd chair around the building.

Mr Thomas Miner, Chrysler's vice-president of industrial relations, was never allowed to retreat to his bed. Up in the Press room at the company's Highland Park headquarters, someone had appended a notice headed "reporters held hostage" — 42 hours.

Whether Mr Bieber really won or not is a matter for debate. The company certainly gave him something he wanted very badly with the initial payment, which is said to be around \$2,000 per man, and which will go a long way to answering the criticism that the union gave away too much in concessions during Chrysler's financial crisis in 1979-82. He also achieved commit-

ments on job security, an agreement that the company will put certain limits on buying in components from outside suppliers, and higher pensions.

But by the standards of yesterday, when the UAW showed consistently how to keep wages ahead of inflation, Mr Bieber's performance scarcely constituted a victory.

The wage increases, giving workers around 2.25 per cent in addition to the lump sum in the first year, an unspecified lump sum in the second, and 3 per cent in the third, look as though they will lag behind price rises rather than lead them. And by agreeing to a three-year deal, the Chrysler workers will not quite achieve parity with the other two car companies since they will continue to negotiate their increases a year ahead.

From Mr Bieber's point of view, however, the symbols of

the negotiations were just as important as the details. Slugging it out for 42 hours flat is all part of the process of showing that a trade union leader is a genuine heavyweight.

Last year, during the General Motors talks, when the factories were on strike and there was national pressure to settle in the middle of the presidential election campaign, he sat through a similar bargaining marathon to reach a similarly presentable conclusion.

At Chrysler, where he was in the paradoxical position of having to resign as a director in order to lead the negotiations, the initial signs are that the deal will be endorsed by the 170-member national bargaining council this weekend, and that all Chrysler's U.S. employees will be back next week.

If Mr Bieber achieves that on cue, he will have come through



Bieber... non-stop negotiator

his first full round of negotiations with all the top U.S. car companies in reasonable shape — a fitting moment, perhaps, to take a sound sleep.

Peasants defect from Peruvian rebel group

By Our Foreign Staff

THE first large-scale defection by sympathisers of the Maoist guerrilla group Sendero Luminoso (Shining Path) has been reported by the Peruvian High Command. According to a military communiqué a column of 51 Sendero guerrillas, accompanied by women and children, surrendered unconditionally to security forces in La Mar province in the Ayacucho region of the southern Andes.

The guerrillas reportedly turned themselves in because of fatigue and the failure of the Sendero leadership to act on promises. Most of the group were former peasants who wished to return to cultivating the land, the communiqué alleged.

Until now very few defections have been reported from Sendero ranks, the latter always threatening brutal reprisals. None have been on this scale. The announcement coincided with fresh allegations of atrocities committed by the military in the Ayacucho region.

At a news conference in Lima on Tuesday two peasants from the region talked of a massacre when troops arrived in the villages of Bellavista and Umuro on August 27. They claimed 59 people were killed.

If proven this would be the second such atrocity since President Alan García took office at the end of July. The new President has worked hard to force the military to clean up their image and has already sacked the head of the armed forces joint command and two generals in charge of the Ayacucho region, the main base for Sendero operations.

Brazil backs reform

The Brazilian parliament agreed yesterday to empower the next parliament, to be elected in November next year, to rewrite the current constitution imposed by the leaders of a military coup in 1964. Reuter reports.

The main change sought in the present constitution is the introduction of direct voting for future presidents instead of the system of an electoral college imposed by the military.

Baker debt warning to developing nations

BY STEWART FLEMING IN WASHINGTON

MR JAMES BAKER, U.S. Treasury Secretary, warned yesterday that unless developing countries adopt economic policies which stem the flight of capital to foreign financial markets they cannot hope to see new inflows of commercial bank funds.

He also stressed that countries such as Peru, which announce that they are only prepared to partially service their debts, or other countries which repudiate their debt payments, will find themselves cut off not only from private lending but also from trade credits.

In testimony to the Senate Foreign Relations Committee which focused on the new three-

part plan — re-creating the debt crisis he proposed at the annual meetings of the World Bank and the International Monetary Fund in Seoul earlier this month, Mr Baker repeatedly emphasised that all parties involved — the borrowing countries, the commercial banks and the multilateral development banks — must participate in the scheme if it is to work.

On Tuesday before the House banking committee, Mr Baker indicated that so far as the three-year \$20bn of net new bank lending envisaged by the plan was concerned, he would expect foreign banks to put up some \$13bn of the total and U.S. banks about \$7bn.

Yesterday, Mr Baker emphasised that the adoption of market-oriented economic policies in developing countries aimed at restoring growth and the confidence of their own citizens to stop exporting capital and repatriate capital which has already fled it vital.

But he drew a sharp distinction between the short-term economic austerity policies which developing countries have been applying and the longer term growth oriented programmes now being suggested.

Commenting on the role of the multi-lateral development banks, and the World Bank in particular, in the new plan, Mr Baker made it clear he has de-

termined to avoid congressional charges that the proposal could amount to a bank bail-out.

He stressed, too, in response to questions from Senator Jesse Helms, an influential conservative on Capitol Hill, that "we are not up her (on Capitol Hill) asking you for money."

He pointed out that only if the proposal works, if the banks lead, if the developing countries adopt the economic reforms which the developed countries believe to be needed and if World Bank lending increases, will the Treasury come to the Congress for new funds for a World Bank capital increase.

Puerto Rico to retain U.S. tax benefits

PUERTO RICAN business and industry are breathing easier after signs that the island will not lose U.S. tax benefits which have attracted mainland companies and created the basis for its development over the past three decades, writes Camille James in Kingston.

The tax credits were threatened by widespread tax reform in Washington, and by what some congressmen said

were abuses of the Puerto Rican scheme.

Business leaders in the island say the tax benefits, granted under section 936 of the U.S. Internal Revenue code, will not be harmed, although the system will be overhauled to end abuses.

The proposal is part of wider tax reforms suggested by the U.S. Treasury which, in the words of the department, would

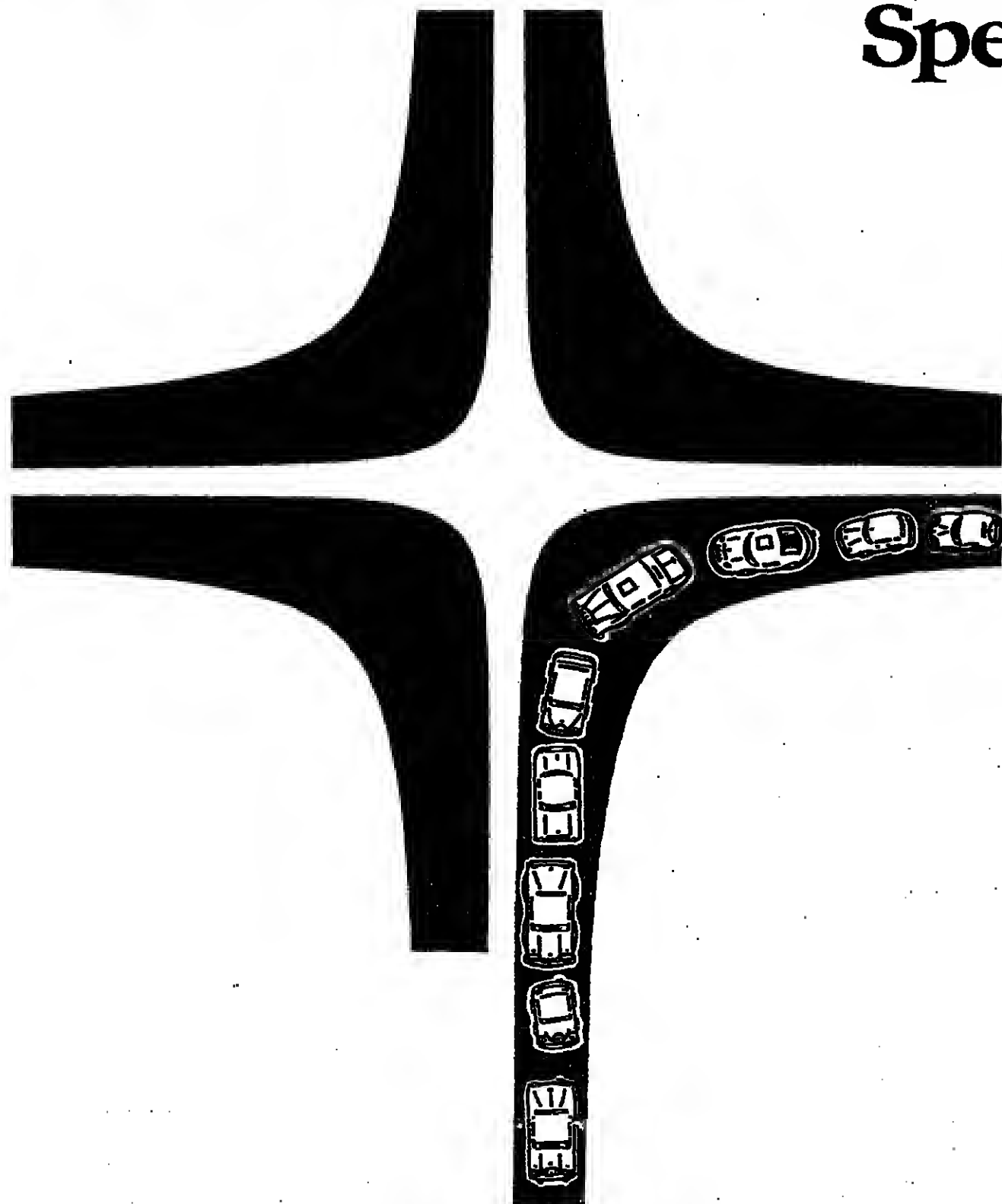
make the tax system "simpler, fairer and more economically efficient."

The code allowed tax free repatriation of earnings by mainland companies operating on the island. This encouraged them to deposit profits in Puerto Rico, and allowed the island's administration to impose limited taxes on repatriated profits.

The Reagan Administration had said the scheme was not

generating employment as was intended and was "complicated, expensive and inefficient." However, elimination of section 936 could bring economic devastation to Puerto Rico. Companies attracted to the island under the tax code account for two-thirds of total manufacturing sector net income of about \$5.5bn (\$3.9bn). They also provide 45 per cent of all manufacturing employment.

The RAC wanted a computer that gave them the same high standard of service they give motorists. Sperry to the rescue.



The same company that makes the computers that make the RAC so dependable makes computers for smaller organisations too. Sharing the same technology and reliability and the same forty years wealth of experience.

Sperry.

With 77,000 staff worldwide, offering complete advisory and support facilities it's not surprising 18,000 customers including service companies, major international banks, airlines and smaller businesses have come to rely on us.

From PC to mainframe.

So we can answer the call for help from any business, anytime.

For further information clip the coupon.

Solutions for businesses big and small

SPERRY

For further information and the Sperry Information Pack just fill in the coupon, or attach your business card, or telephone Garriek Fraser, Marketing Manager.

Name _____
Position _____
Company _____
Address _____
Postcode _____
Telephone _____

SPERRY LIMITED, INFORMATION SYSTEMS GROUP
SPERRY CENTRE, STONEBRIDGE PARK, LONDON NW10 6LS 01-861 3616

UK NEWS

Weinberger still holds key to army contract

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

RIVALRY BETWEEN British and French companies for a \$400 U.S. Army communications contract has entered a new phase after a re-examination of the contract bids by the office of Mr. Casper Weinberger, the U.S. Defense Secretary.

Britain's hopes that the U.S. Army might be persuaded as a result of the re-examination to opt for the British battlefield communication system known as Parnigan, rather than its French rival, appear to have been dashed.

It is understood that despite the conclusions of the new Pentagon analysis, which are believed to have highlighted the advantages of Parnigan, the U.S. Army has again said that it would prefer to buy the Rita system - short for Reconnaitre Integre des Transmissions Automatiques - from France.

The army's refusal to change its mind appears to put the final decision about which of the consortia - both led by U.S. companies - should be awarded the contract firmly back in the lap of Mr. Weinberger himself, although the possibility remains, British officials believe, that the Defense Secretary will order a review.

The U.S. contract is believed to be the largest single military deal ever opened to foreign competition. Intensive lobbying on behalf of the two consortia - the U.S. Rockwell company leading Plessey and other British companies, and GTE with Thomson CSF and others from France - has taken place at the highest level, including a much publicised letter two months ago from Mrs. Margaret Thatcher, the British Prime Minister, to President Reagan.

Mrs. Thatcher's intervention led to the re-examination of the two bids in early September. The U.S. Army had recommended buying the French system, mainly on the grounds that it was cheaper, at the end of August.

Mr. Michael Heseltine, the Defense Secretary has also played an active role in keeping the British bid alive. While British officials insist that Parnigan is the more modern, more secure and flexible system, they are thought to feel that Rockwell and Plessey have been less adept than GTE-Thomson at selling their product, both to the U.S. Army and to the political constituencies that matter within the U.S. Congress.

Rockwell and Plessey are at present involved in a last ditch effort to persuade key Republican senators and congressmen of the economic advantages of manufacturing Parnigan in the mainly Republican areas of Texas and California.

GTE would apparently build a new factory to manufacture Rita in Massachusetts, a Democratic stronghold.

The \$400 contract would supply 25 divisions of the U.S. Army with mobile battlefield communications. More than 70 per cent of each bid would involve U.S. manufacture. There is no U.S.-produced system comparable to the European ones.

Both Rita and Parnigan claim to offer enormous improvements on tactical communications, being fully mobile, more secure, capable and resistant to damage than their predecessors. Parnigan has been in service with the first division of the British army in Germany since the spring, while the French and Belgian armies have fielded Rita for two years.

Trade unionists from the British subsidiary of Eastman Kodak, the U.S.-based photographic products group, are travelling to Paris today in a renewed attempt to arrange a meeting between unionists from Kodak's European plants and Kodak's European management.

Unions have been rebuffed for two years in their attempts to get such a meeting. Kodak says each national subsidiary consults with its unions and staff, and that the European grouping of unions, known as the European Conference of Kodak Workers, is not a "boia file" organisation.

Trade unionists from Britain, France, Italy and Belgium are expected to take part in the Paris meeting. The unions in Kodak's West German subsidiary have refused to attend.

The Paris meeting is likely to decide to write again to Kodak's European general manager, who is based in Britain, requesting a meeting.

The British white collar union, STMS, one of the main unions in Kodak, says a European-level meeting is necessary because Kodak has been restructuring Europe-wide and has preferred the U.S. to Europe for its most technologically advanced investments.

Kodak's British subsidiary said yesterday that its slimming process is largely over and that it has substantial research and development capability in Britain.

A SINGLE regulatory body overseeing City of London securities markets would be accepted by the Government, Mr. Leon Brittan, Trade and Industry Secretary, told the House of Commons.

Mr. Brittan said he was "aware of the strong body of opinion" in the City which wanted one supervisory body but he was awaiting the views of the securities and investment board and the marketing of investments board organising committee.

"If a single board is recommended I would certainly have no objection to it," he said.

Sir Anthony Grant (Conservative) expressed concern about the implications of changes in the City for the law of agency to avoid conflicts of interest. Mr. Brittan said he was examining the point but had not yet reached any conclusions.

Later, Mr. Geoffrey Pattie, a minister at the trade department, said that decisions on whether companies should ballot their shareholders before making donations for political purposes were up to company directors to determine in the light of circumstances.

TALKS on the future of North Sea oil production and its relation to the wider efforts of oil producers to stabilise prices were held in London between Mr. Peter Walker, Energy Secretary, and Dr. Subroto, the chairman of the Organisation of Petroleum Exporting Countries (Opec). After the meeting, Dr. Subroto, the Indonesian Oil Minister, said he believed oil prices would be reasonably firm in the medium term.

He expected demand to pick up, partly for seasonal reasons, while on the supply side there was little pressure from new discoveries. Af-

SCAFFOLDING GROUP RECEIVES SECOND OFFER IN TWO WEEKS

BET joins bid battle for SGB

BY DAVID GOODHART

THE BOARD of SGB Group, one of the leading British scaffolding companies, yesterday rejected the second attempt to buy into the company in two weeks when BET, the international services group, launched a full takeover bid and undermined an unusual tender offer for 25 per cent of the company from C. H. Beazer, the fast-growing house-building group.

The all-paper offer of three BET shares for every four SGB

valued the scaffolding company at £100.4m and each share at 263.5p last night - far outstripping the Beazer offer of about 215p per SGB share (with a cash alternative of 195.5p).

Beazer had been hoping to acquire 25 per cent of SGB to add to its existing stake of 4.9 per cent, but when the tender offer closed yesterday afternoon, it was clear that news of the fresh offer had destroyed Beazer's chances of reaching the 12 per

cent it needed to continue the bid.

BET, which has been looking at SGB for 18 months, started buying heavily on Tuesday afternoon and this morning announced it had picked up 6.2 per cent of the company while presenting the terms of its bid.

BET approached SGB at the end of last week seeking to play a "white knight" role, but their advances were rejected as firmly as those of Beazer's earlier in the month.

The board of SGB said yesterday that the BET offer provided conclusive proof that the Beazer tender offer failed to ascribe a proper value to the company.

It added: "The current offer from BET, like the Beazer tender offer which preceded it, grossly undervalues both the company's prospects for growth and the benefits of the positive management actions already taken."

Lex, Page 18

Tandon to launch personal computer

BY JASON CRISP

TANDON, the world's largest supplier of personal computer disk drives, is going into competition with its main customers by launching a range of low-priced personal computers in the UK and West Germany.

The troubled Californian company claims its prices are 40 per cent less than the equivalent models from IBM and are also cheaper than those from other IBM compatible suppliers such as Compaq and Olivetti. If the European venture is successful the company may also launch the computers in the U.S.

Tandon has been facing growing problems as the price of disk drives in personal computers have been falling faster than the market has

grown. Last year the company laid off 1,000 workers representing half its staff and in August this year made 131 people redundant.

The company recently reported a \$50m loss for the first nine months of the financial year to June 28, compared with \$30m profits in the same period last year. Sales in the third quarter dropped to \$52m compared with \$106m in the same period in 1984.

Tandon supplies IBM and many of the other leading personal computer companies. For the last year it has been supplying IBM compatible computers for other companies to sell under their own brand names, including Radio Shack Tandy.

The new European venture is being run by Mr. Chuck Peddle, one of the best-known figures in the personal computer industry. He developed the highly successful PET and VIC-20 computers for Commodore before founding Victor Technology, which had a meteoric growth rate before getting into serious difficulties.

A new company, Tandon Computer Corporation, has been set up with the marketing rights of the products outside the U.S. It is being financed by Tandon which is not thought to own a significant proportion of the equity. The shares are mainly held by Mr. Peddle, who is president, and a small team which also worked with him at Victor and Commodore.

The new Tandon range, which compares with the IBM PC, XT and AT personal computers, will be shown at two trade shows in the UK and West Germany where the company will try to recruit dealers. It hopes that the low price and better margin will differentiate it from all the other companies fighting for shelf space with their IBM personal computer clones.

The new operation is understood to have about £5m initial finance to set up the European distribution and market the new products. Mr. Peddle says it can offer its low prices - and a better margin for dealers - because of its position making disc drives.

Howe urges both sides in S. Africa to reject violence

BY IVOR OWEN

SIR GEOFFREY HOWE, the Foreign and Commonwealth Secretary, last night appealed to the Botha regime in South Africa and the blacks resisting its apartheid policies to renounce violence so that they can enter into a constructive dialogue.

In a House of Commons debate he stressed that a suspension of the "law enforcement techniques" of the South African Government must accompany a declaration by the African National Congress, the banned anti-apartheid organisation, suspending violence if such a dialogue was to have any hope of success.

An opposition attempt to censure the Government over the sanction issue and accusing it of having isolated Britain in the Commonwealth, the EEC and the United Nations was defeated by 108 votes (302 to 194).

Sir Geoffrey rejected charges by Mr. Denis Healey, Labour's shadow Foreign Secretary, that through the stand taken by Mrs. Margaret Thatcher, the Prime Minister, against the imposition of economic sanctions on South Africa, at the Commonwealth Conference in Bermuda, she had become Mr. Botha's "only apologist" and had isolated Britain.

To government cheers, Sir Geoffrey said the courage, vision and "steady perseverance" shown by

Mrs. Thatcher in Bermuda had enabled the Commonwealth to stand united.

The limited measures which had been agreed - leaving British exporters free to exercise their commercial judgement in trade with South Africa - had given the clearest possible signal to the Government in Pretoria of the need for rapid change.

Sir Geoffrey emphasised that the action agreed in Bermuda did not amount to an ultimatum and reaffirmed that Britain was not among the Commonwealth countries committed to considering further action if adequate progress was not achieved in the next six months.

Mr. Neil Kinnock, the Labour leader, pressed Sir Geoffrey to hold direct talks with the leaders of the African National Congress in London or some other agreed location instead of appealing to them from the House of Commons to agree to suspend violence.

Sir Geoffrey replied: "We do not engage in contacts with organisations of that kind which are actually engaging in violence at this moment."

Insisting that Britain was not in a position to tell South Africa to "co-operate or else," he said, "their capacity to choose or else" is all too clear.

WITH OUR HIGH RATE, WOULDN'T YOU BE SITTING COMFORTABLY?

Don't get the wrong impression. You won't need stacks of money to get into an Abbey National Higher Interest Account.

Just £500, or more, gets you straight in. Which in turn earns you our high rate of 9.50% net.

INSTANT ACCESS WITHOUT PENALTY
It's yours if £10,000 or more remains after withdrawal.

Should you leave in less, you can still withdraw money instantly but you'll lose the equivalent of 90 days' interest on the amount withdrawn.

Or, simply give us 90 days' notice of withdrawal and there'll be no loss of interest at all.

REGULAR MONTHLY INCOME
Your interest can be paid monthly into certain other

Abbey National accounts or straight to your bank, if you'd prefer.

So while your money's out working you can put your feet up and take it easy.

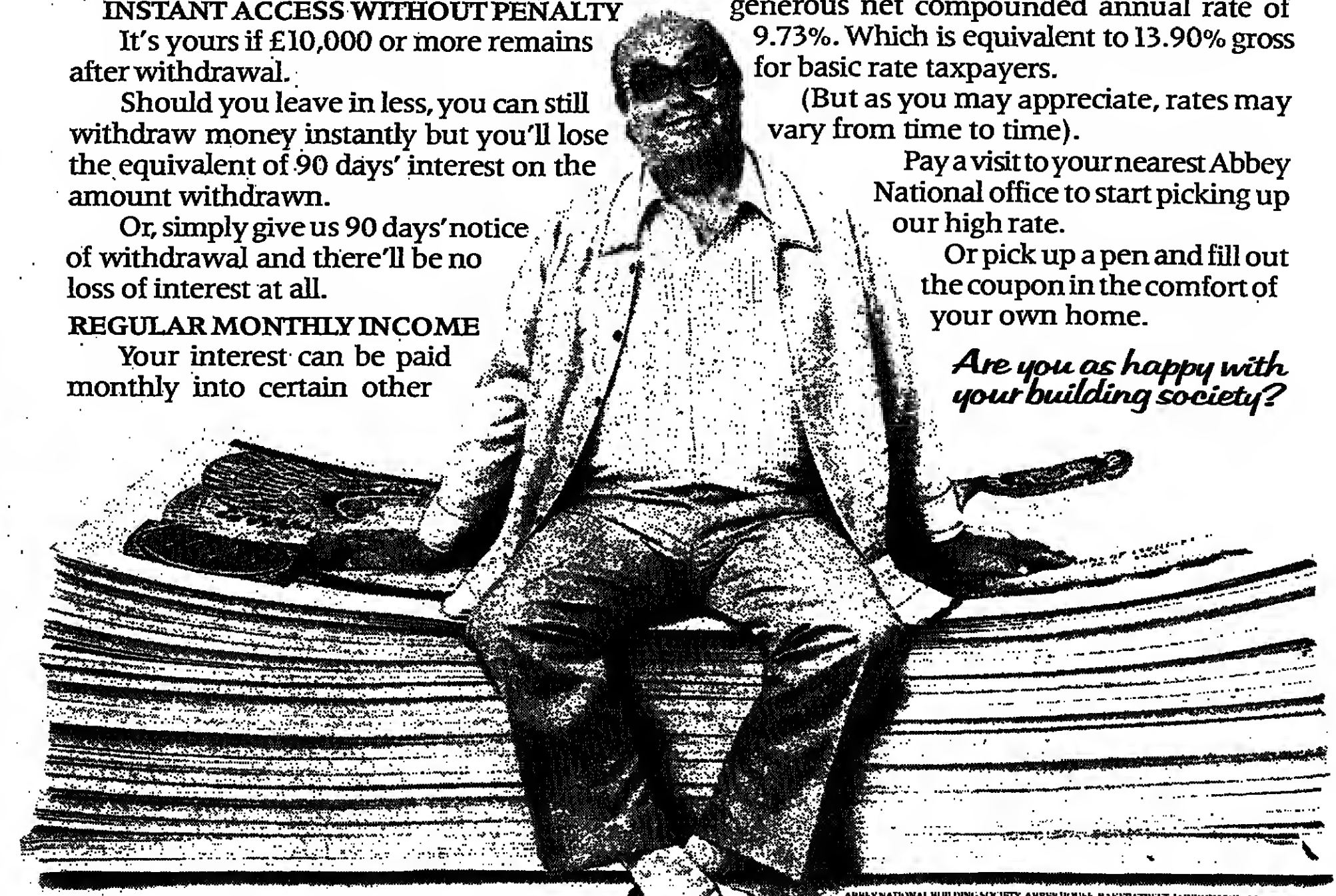
Otherwise, your interest will be paid into your account twice yearly to earn you the generous net compounded annual rate of 9.73%. Which is equivalent to 13.90% gross for basic rate taxpayers.

(But as you may appreciate, rates may vary from time to time).

Pay a visit to your nearest Abbey National office to start picking up our high rate.

Or pick up a pen and fill out the coupon in the comfort of your own home.

Are you as happy with your building society?



To: Department H15, Abbey National Building Society, FREEPOST, 201 Grafton Gate East, MILTON KEYNES MK9 1DA.

I/We enclose a cheque for £_____ to be invested in a Higher Interest Account at my/our local branch in _____.

Please send me full details and an application card. I/We understand the rate may vary.

I/We would like: A. the interest added half-yearly to the Higher Interest Account □

B. to take advantage of the monthly income facility □ (tick appropriate box).

9.50% = 9.73% = 13.90%

ABBNEY NATIONAL HIGHER INTEREST ACCOUNT

Full Name(s) Mr/Mrs/Miss _____

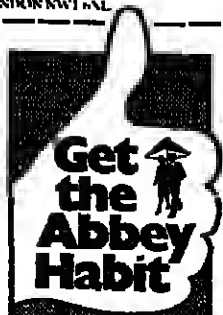
Address _____

Postcode _____

Tel. _____

Signature(s) _____

Date _____



UK NEWS

REPORT SHOWS MIDLANDS INDUSTRIALISTS TO BE MOST PESSIMISTIC ON GROWTH

Manufacturers' gloom confirmed

BY PHILIP STEVENS AND NICK GARNETT

A SHARP deterioration in confidence among British manufacturing companies was underlined yesterday in a series of reports from regional chambers of commerce, with industrialists in Manchester, and the East Midlands particularly gloomy.

The Association of British Chambers of Commerce said its latest business survey showed a significant slackening in the pace of export orders during the third quarter of this year, largely in response to the high value of the pound.

The results, based on returns from nine chambers, re-inforced the message of last week's House of Lords Select Committee report which argued for a much more positive government approach to manufacturing industry, the association said.

The Government's decision to reject the report was "rash and unwise".

The findings also echo recent warnings from the Confederation of British Industry, Britain's employers' organisation, that the appreciation in sterling's value by about 14 per cent since the beginning of the year is seriously damaging the UK's competitiveness.

Manchester Chamber of Commerce said its survey was the most gloomy for two years, showing a worsening in the performance of manufacturing companies in both and export markets.

Mr Neville Scott, the chamber's economic director, called the figures, based on a higher exchange rate and shortages of demand, "appalling".

"It is probably getting back to the drastic years of 1979-81. The confidence of companies has declined. We expected that this would happen but it is worse than we expected," he added.

The association said companies in eight of the regions covered by its survey were more pessimistic about the outlook for exports during the three months to September.

In three regions - the West Midlands, Greater Manchester and Merseyside - most companies reported lower export orders. Among

the others fewer said orders had increased.

Even in the relatively prosperous London and the South East the balance of companies reporting higher orders fell from 30 per cent in the second quarter to 11 per cent in the latest three months.

The balance represents the number of respondents indicating improved business minus those saying orders had declined.

The association said the findings for actual sales in the third quarter were even more gloomy, with a dramatic turnaround in the hitherto buoyant East Midlands region.

The Merseyside Chamber of Commerce reported a static rather than declining trend in orders.

Further job cuts at STC

BY GUY DE JONQUIERES

STC, THE troubled telecommunications and computer company, plans to shed a further 260 jobs and sell its central London office building as part of a cost-cutting drive.

About 135 of the planned job cuts are in corporate headquarters staff, currently totalling 300, and 125 at the headquarters of the company's components division in Harlow, Essex, which is being replaced by a small management executive.

No compulsory redundancies are planned before the end of January. The rest of the 255 components headquarters staff will be moved to jobs in the division's manufacturing units.

STC employs almost 47,000 people. So far this year, it has cut or announced plans to cut almost 4,000 staff. About 900 of the job losses were announced since Sir Kenneth Corfield resigned as STC's chairman and chief executive in early August.

The company, which reported an £8.7m attributable loss in the six months to June 30, is next month due to complete an extensive internal review, which is expected to lead to further cost reductions.

STC's components division has been hard hit by the collapse in the world market since late last year. The company has sold two UK components plants this year and plans to close a third, at Newton Aycliffe, County Durham.

Mr Neville Scott, the chamber's economic director, called the figures, based on a higher exchange rate and shortages of demand, "appalling".

"It is probably getting back to the drastic years of 1979-81. The confidence of companies has declined. We expected that this would happen but it is worse than we expected," he added.

The association said companies in eight of the regions covered by its survey were more pessimistic about the outlook for exports during the three months to September.

In three regions - the West Midlands, Greater Manchester and Merseyside - most companies reported lower export orders. Among

Lloyd's to face fresh tax fight

By John Moore, City Correspondent

HUNDREDS of members of Lloyd's, the London insurance community, face a new battle with the Inland Revenue over disputed tax liabilities.

The unexpected development emerged this week after a settlement last week by Lloyd's with the Inland Revenue which appeared to resolve the market's long-running dispute with the British tax authorities.

In last week's deal, Lloyd's agreed to pay to the Revenue £42.5m from its general funds to cover past tax liabilities which underwriters had not disclosed to the Revenue. Lloyd's said that the settlement "covers every member of the society," with the exception of about 25 members. In all more than 26,000 members of Lloyd's were affected by the settlement as the payment is to be met from funds contributed by their annual subscriptions to Lloyd's.

The tax liability had been incurred by the operation of a number of controversial insurance arrangements within the Lloyd's market called "rollover" policies, which are now to be terminated.

In the last few days, however, it has become clear that a range of other insurance contracts, which carry huge past-tax liabilities, are now outside the scope of the settlement. These are called "quota share" insurances. They are a form of insurance in which underwriters lay off large parts of their risks with other insurers.

The Revenue is concerned that in a number of cases the operation of these policies may have been operated to benefit individual working underwriters in the Lloyd's market. Underwriting members whose affairs were formerly managed by the troubled Richard Beckett Underwriting Agency, where it has been alleged that more than £30m of funds belonging to 1,525 underwriting members by former agency executives could be excluded from the latest settlement with the Inland Revenue.

The Revenue is concerned about the extent to which former managers of the Beckett agency may have diverted the funds to companies which they owned offshore in secret and which were not declared for tax purposes. It is understood to be taking the view that, if funds have been improperly diverted in the course of insurance business, then those funds cannot be offset against tax.

Other members of Lloyd's, whose affairs have been managed by agencies where similar allegations have been made, may also be outside the scope of the settlement with the Inland Revenue.

Government to pay Ulster gas consumers

By Our Belfast Correspondent

THE GOVERNMENT yesterday published proposals to compensate Northern Ireland gas consumers who are being forced to switch to alternative fuels because of the closure of the province's gas industry.

The scheme will cost the Government £20m and it follows a final rejection of appeals from the industry for government aid to pipe natural gas from the Irish Republic.

Dr Rhodes Boyson, the Minister of State responsible for industry in Ulster, told a delegation from Belfast City Council, the largest producer of town gas, that the Government would not become involved with proposals to investigate further rescue plans for the industry.

The compensation proposals will help consumers who have to replace cooking appliances. Those who own cookers which can be converted to liquefied petroleum gas will receive a grant of between £30 and £180.

If cookers cannot be converted a replacement grant of £180 to £220 will be paid.

Mr Dixie Gilmore, chairman of the Belfast Council Gas Committee said Dr Boyson insisted there was no more public money, but said the Government had no objection to private investment in the industry.

Porsche glides into high-tech home

By John Griffiths

THE BLACK granite floor of the atrium appears to float, for it is surrounded on three sides by water from a cascade among the palm trees. The lighting is subdued. It is a lush setting for reception and is intended for use as such. The indoor heated staff swimming pool and tennis courts will be completed next year.

The description applies not to a new hotel development, but Porsche Cars Great Britain's new design centre and headquarters alongside the M4 motorway at Calsonic near Reading, 45 miles west of London. The HQ is being opened today by Prince Michael of Kent and has cost the UK importer £11m. It provides Porsche Cars Great Britain with a potential capacity to handle 6,000 cars a year, nearly double the present level of 3,500 a year.

Mr John Aldington, the company's managing director who holds 40 per cent of the company's equity (its ultimate holding company is Porsche AG), says the building is the "hi-tech" architecture equivalent of a Porsche car. The atrium roof is a claimed "world first" - a translucent structure of solar reflective double glazed panels on a lightweight steel spaceframe. The building requires no heat or cooling for eight months of the year.

The building is a good indicator of just how profitable a business the importing of Porsche cars to the UK has become. The entire development has been financed out of retained profits, according to Mr Aldington.

"Margins aren't what they used to be four or five years ago," he says. The gross margin has dropped from 13 to 10 per cent but Porsche Cars still managed to achieve pre-tax profits of £4.86m on sales of £43.85m in last reported accounting period, to July last year. This was nearly £200,000 higher than in the previous year, although turnover fell by more than £5m (reflecting supply shortages caused by the West German metal workers strike).

Despite the investment in the headquarters, first decided on in March 1983, the directors felt able to pay a dividend limited to 26.25 per share, the same as in 1983.

Mr Aldington, the highest-paid director, almost certainly Mr Aldington, received £70,382. The headquarters is being opened in a year during which Porsche itself is expected to build in excess of 50,000 cars for the first time in its history. Last year it produced 44,000. It has been investing heavily to boost production and has introduced several new models during this autumn.

The company, however, is cautious about forecasting further significant sales gains in the UK - despite setting new records almost every year since the late 1970s. Under the latest model restructuring, the cheapest 924 model which used an Audi-based engine is replaced by a new version, the 924S, which uses Porsche's own 2.5 litre engine and which at a base price of £15,000 is about £3,000 more expensive than the 'old' model.

The 924 was the bedrock of the business, says Mr Aldington. "It was an entry-level car which was affordable - if you could afford a Granada you could afford a 924." The moving of the base model up-market in effect has cut two rungs off the bottom of the ladder," he said.

Mr Aldington says Porsche Cars GB can cope adequately with the recently enhanced competitiveness of Jaguar and other up-market rivals, but he acknowledges that Japanese manufacturers are "a worry in the background". Whereas the 924 in the UK sold all Japanese sports car opposition combined, it was now likely that competitors such as Toyota, with its MR2 and Mazda, which is launching an all-new RX7 model, would "sweep up much of the sector previously occupied by the 924."

Porsche, however, clearly expects expansion to continue. It has added a further 33 staff in moving from its old headquarters, also on the outskirts of Reading, bringing the total to 157. This represents a 400 per cent increase on the numbers employed on the company's first move to Reading eight years ago, when it was selling only 800 cars a year. One of the principal pressures for the latest move was to secure increased warehousing space. Porsche's 28 dealers now cater to a UK Porsche population which has grown to 27,000 cars, and the turnover in parts business has increased by a multiple of 14 during the past eight years. At this it now exceeds the total turnover, including car sales, of 1978.

Get your News early in Düsseldorf

Sie erhalten die Financial Times im Abonnement durch Deinen agenten. Näheres erfahren Sie von Financial Times, Europe Ltd., Gusslestrasse 54, 40001 Frankfurt/Main 1. Tel. 069/7545-0, Telex 4 10 193

MAKE YOUR BUSINESS IN BIRMINGHAM

The technological back-up services, financial help and modern premises available in Birmingham are encouraging new companies to spring up and entrepreneurs to move in. Because whatever you make, you can make it big in Birmingham. Start engineering a better future for your company now.

Telephone: 021-235 2222



City of Birmingham Economic Development Unit, Congreve House, 3 Congreve Passage, Birmingham B3 3DA

Do you want a copier, or do you want the leader?

Only Canon have a replaceable cartridge that makes copying virtually maintenance-free.

Canon

Office Copiers. We'll help you look good on paper

MANUFACTURERS OF COPIERS, CAMERAS, ELECTRONIC TYPEWRITERS, CALCULATORS, COMPUTERS, FACSIMILE AND MICROFILM EQUIPMENT

For more details dial 100 and ask for FREEPHONE Canon (UK) Ltd.

UK NEWS

Pit union moderates to see cash report

By Raymond Hughes, Law Courts Correspondent

MODERATE MINERS in South Wales seeking the removal of Mr Arthur Scargill as president of the National Union of Mineworkers (NUM) are to be allowed to make use of a confidential report prepared by the union's receiver, Mr Michael Arnold.

The report deals with movements of NUM funds transferred abroad at the start of the year-long miners' strike in March last year. Fourteen South Wales miners led by Mr Iwan Thomas were given leave by Mr Justice Mervyn Davies in the High Court yesterday to see the report and associated documents.

The judge said that, before getting the report, the 14 would have to undertake not to disclose it to anyone other than their solicitors and to use it only for the purposes of their action.

The 14 are claiming that Mr Scargill should be removed from office for alleged breach of contract. The claim is based on the court ruling in the action brought against the NUM by two anti-strike Yorkshire area miners that the NUM's rules constitute a contract between the union and its members.

Their writ also claims damages for an alleged conspiracy to assault and/or intimidate them and/or inducing breaches of their employment contracts during the strike.

Philip Bassett writes: Mr Norman Willis, general secretary of the Trades Union Congress (TUC) yesterday made clear for the first time in public that the TUC would not accept the breakaway Union of Democratic Miners (UDM) into affiliation.

The TUC general council said after discussing the vote by Nottinghamshire and other miners to leave the NUM that its "long-standing policy" was "that it cannot accept into affiliation breakaway bodies from existing affiliates."

Mr Willis confirmed that this principle would apply in the UDM's case. However, in forthcoming talks with the NUM, the TUC would try to see whether it could play any part in trying to re-establish unity.

Government to share sea survey knowledge

BY MAURICE SAMUELSON

BRITISH GOVERNMENT scientists, who claim a world lead in surveying the deepest parts of the ocean, are to share their technology with the private sector in a move being heralded as the start of a new international industry.

Under an agreement signed yesterday, Marconi Underwater Systems, a subsidiary of General Electric Company, is to build the highly successful Gloria surveying system developed over the past 20 years by Britain's Institute of Oceanographic Sciences.

The system, which maps the seabed with sound waves from an instrument towed behind a ship, produces pictures with a clarity similar to that of high altitude aerial photographs.

It helps to identify the location and extent of mineral resources, including oil and gas. It can also help to plan routes for international cables and sites for offshore structures.

Under a six-year contract with the U.S. Geological Survey, it is mapping the coastal waters of the U.S. to a distance of 200 miles, the extent of the Exclusive Economic Zone unilaterally declared by President Ronald Reagan two years ago.

Dr Anthony Laughton, the institute's director, said the U.S. Government was "raving" about the results so far. With similar zones being declared in other parts of the world, "there is a tremendous market for reconnaissance surveys."

Estimates for the system had been requested by several other countries with long coastlines.

Gloria (Geological Long Range Inclined Asdic) was two years ahead of competing systems. Other

institute officials said similar surveying business in other parts of the world could be worth up to £200m.

The contract with the U.S., which also covers the waters round its Pacific possessions, is worth £20m. Last year, it took only 55 days to map the zone along the U.S. West Coast and this year it is mapping the Atlantic coast, beginning with the Gulf of Mexico.

Until now the Gloria systems have been built by the IOS at its laboratories at Woreley, Surrey, near London. Under the agreement with the IOS's umbrella body, the National Environment Research Council (NERC), Gloria will be built by Marconi.

The service will be marketed world-wide, operated by J. Marr & Son, a chartering company in Hull, north-east England, with many years' experience of Gloria operations.

Marconi expects an initial turnover of £5m a year, to be shared with NERC.

Gloria is a long-range side-scan sonar, mounted on a torpedo-shaped device towed from a ship. It emits sound beams at right-angles to the towing ship's track, from which it forms pictures of up to 40 miles width of the seabed. At top speeds of eight knots, it can cover about 7,000 sq miles (18,000 sq kms) in a working day.

In its three-month survey of 250,000 sq miles of the U.S. western seaboard last year, Gloria discovered more than 180 previously unknown underwater mountains.

Many are thought to be rich in manganese, containing a high content of cobalt and other elements.

The U.S. declared its Exclusive Economic Zone after opting out of the UN's discussions on a new legal framework for mining the resources of international waters as part of the draft Law of the Sea.

The final draft, concluded in 1982, recognised that sovereign states had a right to exclusive zones within which they could exploit minerals.

It proposed setting up an international seabed authority to regulate mining rights outside these areas. Signatories would have to pool their mining technology in the international zones.

The final draft was to become law once 60 countries had ratified it. However, the U.S. recoiled from the idea of sharing its technology.

West Germany and the UK have also refused to sign the draft, although the UK's position is less rigid than that of the U.S.

By unilaterally claiming the exclusive zone in April 1983, President Reagan began a process which, when followed by other nations, will comprise 35 per cent of the world's oceans, or more than 40 per cent when one adds national claims to extended continental shelves.

This is an important shift in the world's territorial claims. In 1958, the Convention on Continental Shelves gave countries the right to exploit their coastal waters to a depth of 200 metres. But it added the increasingly important provision: "... or depths which can be exploited."

It is this which lies behind the intensified interest in seabed mining and is creating the market into which Gloria, under its new joint management, is about to plunge.

Tjaereborg cuts holiday prices

BY ARTHUR SANDLES

TJAEREBORG, the Danish-owned direct-sales tour operator, has cut prices, guaranteed all holidays and promised no surcharges in its attempt to raise its UK summer market share.

Tjaereborg, headed in Denmark by Pastor Ellef Kroger, otherwise known as the Flying Friar, says prices in its 1986 brochure undercut similar offers from the market leader Thomson Holidays by 5 to 7 per cent and Intasun, the industry's No. 2 by about 8 per cent on average.

These figures suggest, however, that Tjaereborg, which cuts out travel agents by dealing with the public direct, has lost some of its previously claimed 14 per cent price advantage over the traditional companies.

Ms Sonja Tjaeregaard, managing director in the UK, said yesterday: "At the time when the travel industry big boys are crowing about their wonderfully low prices, Tjaereborg has been carefully undercutting them all."

"We are determined that this year will see Tjaereborg take a great deal of business away from them, pushing our client figure substantially higher."

The company is claimed to be the second largest direct selling tour operator in the UK market. The largest is the Thomson Travel subsidiary Portland.

There is considerable trade speculation that Thomson itself is about to announce another tour programme.



God help all those who fail in her

Every month we stand in judgement over 700 unit trust and fund managers.

The monthly performance tables in "Money Management" lay bare, with the cool detachment of a surgeon's blade, who has done well and who has done badly.

For the winners, it's champagne. For the others, it's sackcloth.

And you can depend on "Money Management" to get it right.

The statistical analysis of investment performance in "Money Management" is rigorous, scrupulous and comprehensive.

There's no escape, and no argument. It's tough at the top.

From November, however, there will be something different about "Money Management".

It's going to look as good as it thinks. New page layouts will make it better to look at. A new typeface (this one) will make it easier to read. And new ways of presenting the all important performance tables.

will make fact-finding quicker and simpler.

Thousands of financial advisers turn to "Money Management" each month because it's the one sure place they know they'll find the facts.

Now, you'll find those facts more quickly - and read them more easily.

There are detailed figures on fund size, dividend yield, and the all-important return on £1000 invested over 7, 5, 3, 2 and 1 year terms. Unit trust performance statistics are given on an offer-to-bid basis, for the most accurate possible measure of actual returns on investment.

And every month, there's more. We provide you - and your clients - with insight into new opportunities, analysis of new ideas and information on new products. Over 60 pages of articles, briefings and updates on everything from pensions to PHL from CTT to Friendly Societies.

Ask your newsagent to order you a copy. "Money Management" gives you the facts on which to base your advice.

Stick with us, and it should be plain sailing.



FINANCIAL ADVICE
FOR
FINANCIAL ADVISERS

Greyhound Place, Fetter Lane, London EC4A 3ND

Everybody on our assembly lines knows that the best possible quality control lies in their own hands.

That's why they take extra care to ensure that body surfaces are spotless, fits are perfect and welds spot on. Even where robots are used.

Of course, that's not to say we don't have a team of line inspectors. We do.

But in addition to that, we carry out a special "Quality Audit" on a random selection of finished cars.

This covers 200 checks on everything from paint thickness to exhaust emission levels.

All this adds up to what we at General Motors call our commitment to overall excellence. We believe it goes a long way to explaining why the Cavalier was the best selling car in its class in 1984, and why the new shape Astra won the prestigious 'Car Of The Year' 1985 Award. Don't you?



When we talk about quality inspectors,
everyone's on the line.

General Motors. The name behind a great British family.

VAUXHALL · BEDFORD · GIMPO · AC DELCO · ACS PARK PLUG · DELCO PRODUCTS · FISHER BODY · SAGINAW · GMAC



CAR OF THE YEAR IS ORGANIZED BY TELEGRAPH SUNDAY MAGAZINE, QUARTERLY, AUTOMOBILE, ECONOMY, STERN AND W. BRUNNEN.

PROFILE: PRESIDENT ALAN GARCIA OF PERU

The impact—at home and abroad—of populism

By Robert Graham, Latin America Editor, recently in Lima

WITH THE arrogance and energy of youth, President Alan Garcia has taken Peru by storm. Since assuming office at the end of July, the 36-year-old president has also lost no time in walking on to the international stage. In particular with blunt declarations about Third World debt. Few leaders have made such a big impact in such a short time in recent years.

Unusually for a politician, Sr Garcia has consistently matched words with action. It has almost become a habit now that policy is announced in a speech and an official decree is published the next day implementing it. Seemingly unafraid of opposition, he has confronted head on all the taboo topics of Peruvian politics which his predecessor Fernando Belaunde ignored: military privilege, the drug business, civil service corruption, police incompetence and security service torture.

By imposing such a bold imprint of leadership on government, he has silenced potential critics and established a groundswell of goodwill which in turn has helped transform the psyche of a profoundly demoralised country, weighed down by the problems of violence, poverty and external debt.

Like a man obstinately shaking an apple tree, he has managed to convince his fellow countrymen that the rotten fruit will fall. "There is a Messianic quality to him; he is a man with a mission," says the well known Peruvian novelist, Sr Mario Vargas Llosa. Labels stick unasily to Sr Garcia's mix of nationalism, socialism and radical catholic liberation theology ideas. He aims to go beyond ideology. He wants to make government work and to work for what he constantly refers to as "the large majorities of the population."

In effect, Sr Garcia is setting out to deal with the problems of Peru's development and its lack of political stability. He wants to alter the dramatic imbalance between the capital, Lima, and the rest of the country—a top-heavy urban society that cannot support itself yet is continually attracting more and more

people. He wants to break the traditional centralism of government, one of the principal barriers to improving rural development. He is out to curb the influence of the military both in their call on the national budget and in their role in society. He believes enormous resources can be saved through fighting corruption and he is determined to end the drugs trade which may damage the economy but will strengthen the body politic. Finally he wants to involve people more in politics so that political parties do not represent just an elite.

The interest generated by Sr Garcia's advent goes well beyond the purely Peruvian context because he is trying to solve structural problems and alter psychological attitudes which are general in Latin America and much of the Third World.

Until now, military governments or Marxist-inspired revolutions have played the leading role in seeking to transform Latin American society. The exception was the late President Salvador Allende in Chile in the early 1970s. But Sr Garcia through his Apra Party (Popular American Revolutionary Alliance) has unchallenged control of Congress, unlike Allende.

The same passion that drives him to shake up Peru has pushed him into the international arena. Close colleagues say he sees himself very much as a non-aligned leader picking up the mantle of Nehru, Nasser and Tito, using non-alignment to balance out the inequalities in the North/South dialogue.

The best guide to Sr Garcia's thinking was his speech to the UN last month, which included such phrases as "Peru has decided to govern its economy, not be governed by it" and "Debt is a conflict between the impoverished southern part of the American continent and the industrialised, moneyed and imperialist north." It is in this context that he is opposed to accepting solutions imposed by the International Monetary Fund and wants to limit payments of Peru's \$14bn foreign debt to 10 per cent of annual exports.

President Garcia faces an up-

hill task in either transforming Peruvian society or rewriting the international financial system. Cynics feel he has already created too many potential enemies. Nevertheless, he has proved that he possesses the indefinable charisma of leadership.

Whether walking round bakeries to sample new low-priced bread at 6 in the morning or shaking hands with generals bedecked in medals, President Garcia cuts a striking figure. Heavily built and 6ft 4in, he towers above most of his fellow countrymen. He has a finely tuned understanding for the popular gesture. When he turned against the drug Mafia, a cocaine laboratory found in Lima was handed over to become an orphanage. It is no coincidence that his closest adviser in the presidential palace, Sr Ugo Otero, has a public relations background.

In impromptu speeches, often delivered from the balcony of his palace in the heart of old Lima, President Garcia likes simple images. Peru, he says, is a car that has broken down. The passengers have to get out and push. Working until all hours of the morning, usually on three hours of sleep, he has set a punishing example. He sets a tremendous pace. I do not know how we can go on like this," says Sr Leonel Figueroa, deputy Finance Minister and a key member of the economic team.

President Garcia relies greatly on the direct phone call and Lima abounds with stories of ministers being pulled from their beds, receptions and even an aeroplane to answer the presidential summons. He has surrounded himself with people of his own age, many French-educated like him; and they have the enthusiasm of 1968.

With a destabilising inflation of nearly 300 per cent inherited from the Belaunde administration, the first priority has been in the economic field. Almost immediately President Garcia introduced an austerity package that included a 12 per cent devaluation of the sole against the dollar, sharp rises in utility and gasoline prices followed by a generalised across the board 30-day price freeze. This plan



The President says Peru is a car that has broken down. The passengers must get out to push

owed much to advice from Argentina. But Sr Garcia has differed in his refusal to be tied by debt obligations. Budget spending for the remainder of the year and through 1986 is based on a limitation in debt service payments.

In public Sr Garcia has said repeatedly this will be limited to 10 per cent of Peru's exports, this year projected at \$3.3bn. Interest payments due this year total \$1.7bn with a further \$2.4bn accumulated from 1984. However, \$310m has already been paid out in the first six months of the year and a further \$180m is expected for the second half, according to Sr Figueroa, the chief negotiator with the 260 creditor commercial banks. Short-term commercial credit is being repaid and Sr Figueroa says the 10 per cent limitation applies only to medium and long-term debt.

Sr Garcia insists the whole basis of Latin American debt should be reconsidered and in the meantime, unilaterally, he is using the resources due to be handed over to the banks to consolidate democracy. With-

out these funds, denied to the banks, Peru would have no resources to reactivate the economy and so ease the serious social problems caused by poverty and near 30 per cent unemployment. Sr Garcia argues. Reserves have now accumulated to over \$1bn.

The first steps towards a modest reactivation were taken at the start of this month, after the authorities saw inflation drop below 3.5 per cent in September. Interest rates have been cut, import restrictions raised and both employers and employees have been given some fiscal breaks. Given Peru's export dependence upon petroleum and mineral products which account for over 80 per cent of the total, Sr Garcia's economic team felt they could not rely on an immediate national recovery to stimulate demand. They admit the risk of inflation building up again but feel there is no viable alternative.

The need to generate employment is evident on even the most superficial journey round Lima. Its pavements are

cluttered with street sellers offering every conceivable item and fashionable suburbs are rudely interrupted by illegal shacks on vacant ground. Some 10,000 people took over one such plot on July 23, the day of Sr Garcia's inauguration. At the beginning of this month he gave the order for their removal, a bloody action which led to at least one squatter's death.

That was followed by the forcible search of a Lima prison which housed members of the fanatical Maoist guerrilla group Sendero Luminoso (Shining Path). The search resulted in a pitched battle between the inmates and the security forces in which 32 prisoners died in circumstances still under investigation. The government chief prosecutor maintained that Sendero Luminoso had deliberately caused their deaths by refusing to let them leave a burning building.

Left-wing parties accused the government of not being able to control the security forces. These two events have demonstrated President Garcia's willingness to be tough on law and order at the expense of his popular image. But he and his cabinet have been taken aback by the bad publicity caused by the way the security forces handled them. "Alan has lost his political virginity," said one leading political commentator.

Until now President Garcia's targets have had popular appeal. He has, for instance, won widespread support for courageously dismissing senior military officials identified with brutality and human rights abuses in the area of the southern Andes round Ayacucho where Sendero Luminoso is most active; the public have been delighted to see more than 130 senior policemen dismissed on suspicions of corruption and in a crackdown on drugs. So far the Government has destroyed over 82 tons of cocaine in 60 days with a street value in the U.S. of \$5.6bn.

President Garcia also enjoys civilian backing for cutting military influence, including the defence budget. The decision to reduce the controversial

order for 27 Mirage fighters from France has provoked no outcry, even though Peru has traditionally enjoyed tense relations with its neighbours, Chile and Ecuador.

According to the opinion polls, President Garcia has the confidence of over 90 per cent of the electorate. Thus he has considerable space for himself within which to move. However, there are many pitfalls ahead. The military do not like being cut down to size, and while they are aware of President Garcia's popular mandate they can make life difficult for him. For instance, President Garcia's efforts to stamp out human rights abuses have led to a sort of go-slow among the military in those areas fighting the guerrilla group, Sendero Luminoso. Rather than risk public odium for killing civilians (there was an alleged massacre of 68 in August), the military have confined themselves to barracks in effect saying: "Well, you tell us how we fight a brutal, pitiless band of terrorists."

Not all of Sr Garcia's populism is very practical. He is trying to streamline the civil service and public sector but has imposed an earnings limit equivalent to \$1,000 per month. This has led to a steady drain of top people whom the administration can ill afford to lose. In the case of the large state-run banks the drain is especially serious.

Sr Garcia is also given to impulsive gestures. His decision to rescind the operating contracts of Occidental Petroleum, Belco and Occidental Bidas on August 23 was apparently taken without the knowledge of the Energy Ministry. The oil companies knew the Government was unhappy about the tax credits in existing contracts; but they have been very hostile to what they allege was a suggestion of forthcoming nationalisation from the President during a provincial rally.

Peru needs the oil companies. The national oil concern, Petroperu, lacks the resources to sustain the kind of exploration programme that will ensure the

existing level of reserves both steady through the next decade. The question of financial resources for oil development becomes even more important if Peru's relations with the international financial community turn sour.

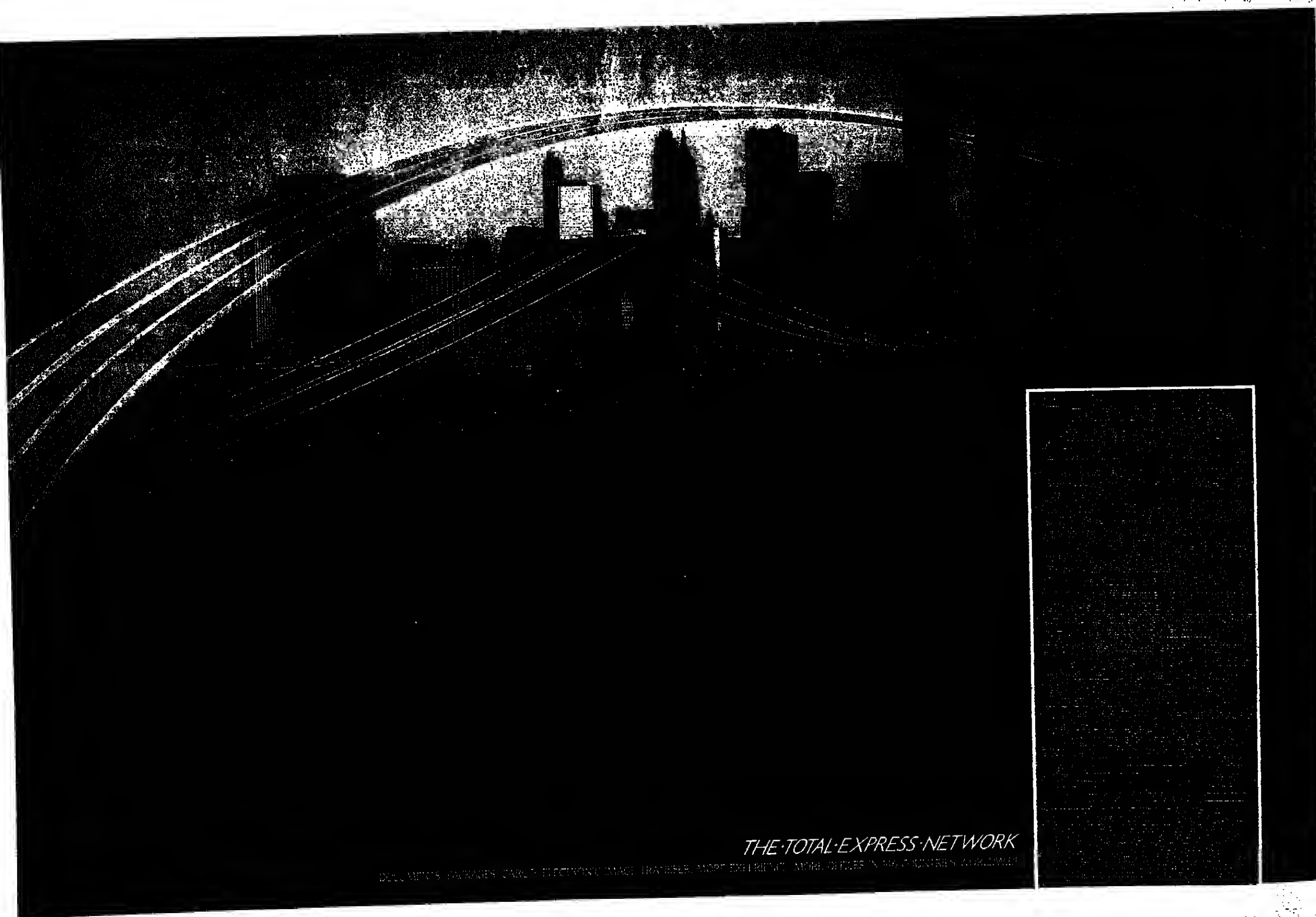
President Garcia has been told in blunt terms by the U.S. Administration, by the IMF and by the commercial banks that he is going about the debt issue in a way they see as counterproductive. "Antagonism and unilateral declaration is not a way to negotiate," said one Western diplomat in Lima. The same message was given to the Peruvian team in Seoul at the IMF annual meeting.

It seems that Sr Garcia overestimated the support he could drum up from his fellow Latin American leaders for his proposal to limit debt service to 10 per cent of exports. He also misjudged the mood in Washington.

Somewhat naively, President Garcia appears to have felt he could mollify the U.S. by being tough on drugs and by attacking the Cuban leader, Dr Fidel Castro, at the UN. However, Mr George Schultz, the U.S. Secretary of State, at his first meeting with President Garcia last month, is said to have more or less told him that he was an arrogant young man.

Since then, there are signs that President Garcia has realised the need to be more pragmatic and not to alienate the U.S., which absorbs over 40 per cent of Peruvian exports. A month ago, withdrawal from the IMF was virtually inevitable, according to President Garcia. At the Seoul IMF meeting this was reduced to a threat and the limitation of debt service is now being phrased more as a temporary emergency measure than an ideological act in the North/South confrontation.

There are also signs of greater pragmatism towards the oil companies. A satisfactory renegotiation of the contracts would go some way to soothing the Reagan Administration's fears about the direction of Sr Garcia's Government. And limiting U.S. antagonism will certainly give him a freer hand at home.



THE TOTAL EXPRESS NETWORK

DELIVERING THE WORLD'S LATEST NEWS AND INFORMATION TO YOUR DESK EVERYWHERE

TECHNOLOGY

Engineers go into medical diagnosis

BRITISH engineers have borrowed ideas from biochemistry, videodisc technology and particle physics to come up with an ingenious way to diagnose medical ailments.

The technique is based on registering the reactions between antigens—proteins produced by disease organisms—and antibodies, which are part of the body's defence mechanism.

When a metal strip with an antibody fastened to one side is illuminated, changes in the surface caused by the antibody-antigen bonding are indicated by an acoustic physical effect in which electrons bob up and down like waves in the sea. This so-called plasmon effect can be observed by a simple optical technique.

The strips themselves behave as diffraction gratings, devices that split up light into different wavelengths. They are made by depositing gold or a similar metal onto pieces of plastic. The surfaces of the plastic pieces contain a series of micro-accepting undulations, similar to those on a videodisc, to give the thin metal surface the correct optical properties.

This novel diagnostic technique is under study at PA Technology, a contract research

and development organisation based in Melbourn, near Royston. The company, which has laboratories in four countries and annual sales of £50m, is hired mainly by large corporations to work on technical problems.

PA Technology is developing the diagnostic method on behalf of an unnamed international health-care company. Dr John North, one of the engineers working on the project, says that products based on the technique could be on sale in two years. The metal-coated plastic strips would cost about 15p while the simple spectroscopes needed to analyse whether antigen-antibody binding had occurred could be sold for about £100.

Dr North says the technique would be cheap and simple enough for doctors to use in their surgeries. The physicians would have to buy a supply of strips and a spectroscope.

The strips would change characteristics—depending on whether an antigen was present in a sample such as blood—within about five minutes, giving patients an instant indication of certain health problems. According to Dr North, the technique would be best suited to diagnosis of

Ideas used in videodisc making particle physics and biochemistry have been united in a new aid to diagnosis, reports Peter Marsh

sexually transmitted diseases such as gonorrhoea.

PA Technology's method is a variation on standard immunoassay techniques which are coming to be widely used in medical diagnosis. All these methods exploit the mechanism by which a specific antibody binds selectively to an antigen with which it is uniquely "paired".

A biochemist first makes a supply of the correct type of antibodies. Providing the scientist can find a way to denote that pairing has occurred, he can then spot whether the antigen is present in a sample.

In conventional immunoassays, the presence of the antibody-antigen coupling is indicated by attaching a radioactive or fluorescent label or a chemical that changes colour in an enzyme reaction.

Many of these methods re-

quire careful addition of reagents or the use of sophisticated instruments. As a result, the tests often have to be administered by specialist laboratory staff rather than ordinary doctors or nurses.

In the PA technique, the metal-lined strip is first coated with antibodies and then brought into contact with a sample thought to contain a specific antigen. The presence of the antigen-antibody link is indicated by the degree to which the surface exhibits the plasmon effect.

In this phenomenon, light of a particular wavelength, shone at a specific angle causes electrons bound to topmost layers of atoms in a metal to leave the surface. They do so by an almost immeasurable distance—a matter of a few ten-millionths of a metre.

In physical terms, the elec-

trons can be thought of as jumping up and down like excited jellybeans. They give rise to a particular kind of electromagnetic particle called a plasmon.

When white light, which contains all wavelengths in the visible range, is shone on a metal surface exhibiting this effect, the energy of the light particles (photons) at specific wavelengths is consumed in setting loose the plasmons. The rest of the light is reflected in the normal way.

The effect can thus be spotted by the absence of light of a particular wavelength in the reflected radiation. The light waves leaving the surface are split by the latter's behaviour as a diffraction grating.

This can be brought about by producing a series of tiny peaks and troughs in the metal—billions of a metre deep. The metal is deposited onto plastic whose surface already features the undulations. The plastic has to be accurately moulded using machines similar to those which produce the tiny series of cavities in the surfaces of videodiscs.

The plasmon effect shows up as a black or grey line in the



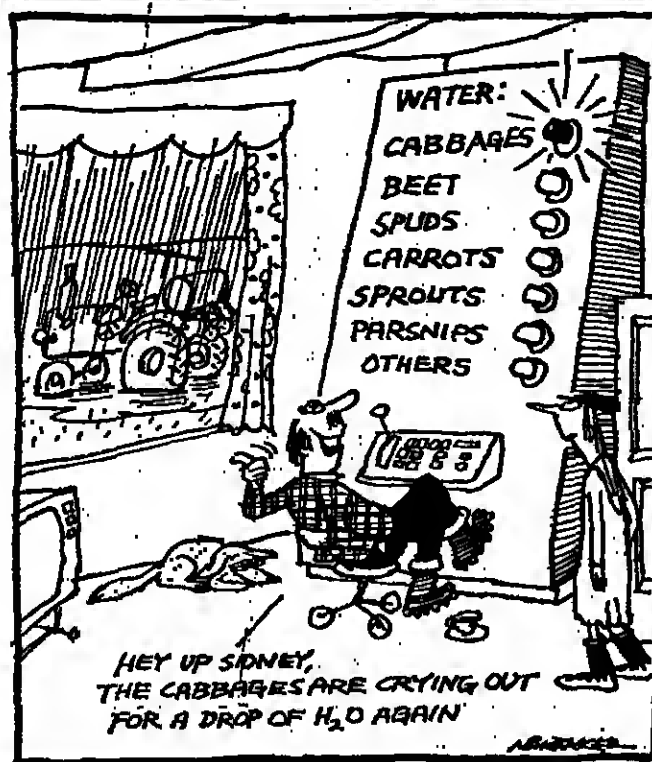
Dr John North of PA Technology.

spectrographic signature (set of wavelengths) of the reflected light as recorded by a simple device called a spectroscope.

In the PA method, the exact nature of the plasmon effect varies according to the physical characteristics of the surface of the metal. Depending on

whether the antibody-antigen coupling is present, the black or grey lines will occur at different parts of the electromagnetic spectrum.

Thus by looking out for these lines, the spectroscopist can record whether the antigen was present in the original sample.



Cracking the case of the low-yielding cabbage patch

WORKERS AT the National Vegetable Research Station at Wellesbourne in Warwickshire have devised a machine which makes it possible to tell exactly when a field of crops needs water.

The station's work on the project began when the Agricultural and Food Research Council asked it to investigate why crop yields varied from one field to another and even from one part of a field to the next.

The result of years of research by Mr Terry McBurney and Dr Peter Costigan of the NVRS's specialist soil department is a device called a water-cooled stem psychrometer, which is on show this week at the Farm Electronics '85 exhibition at the National Agricultural Centre, Stoneleigh.

Behind the machine's development lies the belief that plants which do not give the best possible yield may be suffering from water stress. They cannot, it seems, extract enough water from the soil for optimum growth. Soil structures can vary markedly within small

areas and one soil structure may not have the same water retention properties as another, even though they are physically close together.

The NVRS innovation means researchers now have a tool to help investigate more fully the exact relationship between water stress and crop yield.

In the long term, Mr McBurney and Dr Costigan foresee the possibility of a completely automated irrigation system tailored to a specific crop in a particular field. Says Mr McBurney: "If you ally the sensor to a microcomputer, you have a powerful system for controlling irrigation."

"If a plant is wilting, it is too late: some damage has already been done. The problem is knowing when to irrigate when you can't rely on visual signals."

"The best methods available at the moment use meteorological data to keep a balance sheet of evaporation versus rainfall and calculate the optimum concentration of water."

The problem with this

method, say the researchers, is that it gives information about the amount of water in the soil, not the amount the plant is taking up; and even in a climate as wet as Britain's, plants may experience some stress.

What was needed was a device which could measure the rate at which water evaporated from a plant's surface in the field. There were sensors available, but they could function only in laboratory conditions and did not give continuous readings—essential in such research because plants' water stress changes by the minute.

At the heart of both the older sensors and the reformed version which Dr Costigan and Mr McBurney developed is a tiny chamber in which the moisture given off to the atmosphere by a plant can be measured.

The psychrometer registers this humidity by detecting the point at which moisture in the chamber's atmosphere condenses, thus giving a measure of the water stress in the plant. To overcome the limitations

of the psychrometers which had been used for earlier research, the NVRS team attached the device to a plant stem rather than a leaf to obtain a truer reflection of water stress. They also had to get round the problem that the slightest temperature gradient between the plant and the measuring equipment produced unreliable readings.

"We reasoned that if we could construct a jacket round the psychrometer which kept the temperature even, we could reduce the temperature gradient and perhaps take the device into the field," said Mr McBurney.

What emerged from their efforts was the water cooled stem psychrometer, a device which has won backing from the British Technology Group. An application to patent the psychrometer has been filed and the research team now has plans to refine its machine.

"We've verified that it works," says Mr McBurney, "and now we think the tech-

nique can be made much easier to operate. We aim to eliminate the temperature gradient by electronic means and to do this, we have designed and are constructing a special psychrometer with the aim of making it acceptable to the commercial market."

So far, the NVRS researchers believe they have identified three potential markets for their device: researchers like themselves all round the world; agricultural advisers who can adapt the equipment to their own climatic circumstances; and progressive farmers who see the relevance of precise information about water demand to more complex judgments about ed- ministering nutrients or pesticides to their crops.

Others they think might well find a use for it include workers in the food processing industry, who might use it to investigate how some foods deteriorate because of moisture, and civil engineers, who could use the device to check the water content of soil at construction sit-

The GLC use
350 Husky
Hunters
Find out why on
Country (085) 65001
HUSKY
MANUFACTURERS OF THE WORLD'S MOST
POWERFUL HAND-HELD COMPUTERS

Institute to begin three projects

SHIRLEY INSTITUTE is to undertake three research projects in biotechnology with support from the Government's Support for Innovation Scheme.

The first involves the production of fine mats or webs of fibres from microfungi mycelium; the second aims to exploit the potential for novel microbial pigments in textile coloration and to develop microbially-derived surfactants for textile processing and other end uses. The last is a collaborative venture with the University of Nottingham to evaluate the potential for the commercial cultivation of tropical mushrooms in the UK on cellulose waste material.

The three projects, together with a fourth concerned with low-energy fibre preparation process, will absorb £545,000 of the funds available over the next two years to the Institute's biotechnology group.

More information from Dr Brian Sagar, Shirley Institute, Didsbury, Manchester.

Joint research on space robots

THE Culham and Harwell research laboratories, both run by the UK Atomic Energy Authority, have joined forces with British Aerospace to work on a new generation of automated handling equipment for work in space.

The mechanisms under study encompass both true robots, which work independently, and "hybrid" robots where humans control the machines for some of the time. In the second type of hardware, a person might tell the mechanism to move into a certain area of a space station, leaving the device's innate intelligence to work out what to do once in position.

How often does your pension fund investment manager manage a word with you?

Everyone recognises that trustees are responsible for the broad lines of policy and managers for carrying it out. The difference at Charterhouse is that we work in partnership with you.

Trustees and Charterhouse managers sit down together to establish the overall objectives of the fund in terms of the desired return, and the acceptable risk. Together we set targets, and together agree guidelines on asset allocation.

We assign you an experienced manager with whom you're likely to have good personal rapport. This is highly desirable in our opinion and has proved a genuine element in the success of our funds.

Since we don't aim to manage more funds than we can comfortably handle, each manager deals with relatively few clients, and his service is the more complete and personal.

Neither is he alone in his service to you. He'll have the aid of his investment colleagues, the support of an administrative manager and staff, the service of our dealer, and the use of our consultants in the City and the major markets abroad, as well as an array of information systems.

If you consider that you could benefit from a closer relationship with your pension fund investment manager, then contact Nigel Watson, Charterhouse Investment Management Limited, 6 New Bridge Street, London EC4V 6JH. Telephone 01-248 3999.

CHARTERHOUSE

CORPORATE EARNINGS

Singapore sees a downwards trend

BY CHRIS SHERWELL IN SINGAPORE

A STRING of poor results from Singapore companies during recent months has caused investment analysts to revise down corporate earnings forecasts for 1985 and 1986.

Although the severity of the results reflects the island state's worst economic performance in two decades, the trend also emphasises a decline which began as far back as 1982.

As a consequence fears are growing about the longer-term profitability of Singapore's private sector, which is already being squeezed by a powerful state sector and the increasingly dominant multinationals.

Inevitably, prospects for the Singapore stock market have become uncertain. The last major peak for the widely-watched Straits Times index, which covers 30 Singapore and Malaysian companies, was in February 1984. By July this year it had hit a 30-month low, and the market is still languishing.

Analysts say both the Singapore and Kuala Lumpur exchanges are further off their high points of all the major markets, and they maintain that the rally being officially nurtured in neighbouring Malaysia has little real substance behind it.

In Singapore, where the outlook has been far more gloomy, the market is at last reckoned to have discounted much of the bad news — of which there has been plenty.

"After this latest round of results," says one analyst "there is not one company I have not adjusted downwards." Earnings for 1985, he says, are likely to be down by 12 per cent to 15 per cent on 1984. Others suggest it could be more.

The declining trend is highlighted by the banks — the country's biggest and most powerful businesses — which are involved in all sectors of Singapore's weakened economy and which have all reported

falls in net profits.

Of the Big Four local banks, the worst hit was United Overseas Bank because of a provision for the collapse of Overseas Trust Bank in Hong Kong. Analysts say the others — DBS Bank, Overseas Union Bank and Overseas-Chinese Banking Corporation (OCBC) — seem likely to transfer less of their gains than usual, if any, to hidden reserves this year.

Three inter-related sectors — property, hotels and retailers — are also having a bad year. In property, United Overseas

add five new hotels to the present total. At that point too, new retailers will also join the market. Both sectors foresee no dramatic rise in tourist arrivals, an important source of business.

Among existing hotels, few are reporting profits falls of less than 50 per cent, and several smaller groups — the owners of hotels like the Hilton, Century Park Sheraton, Oberoi and Apollo, for example — have plunged into loss on their operations.

Retailers face similar woes.

severely depressed sector of the economy — the marine industry — is dominated by the state. Keppel Shipyard and its subsidiaries, Far East Leasing Shipyard and Straits Steamship, are Singapore's biggest loss-makers, and cost the government \$811.5m (U.S. \$55m) in fiscal year 1984.

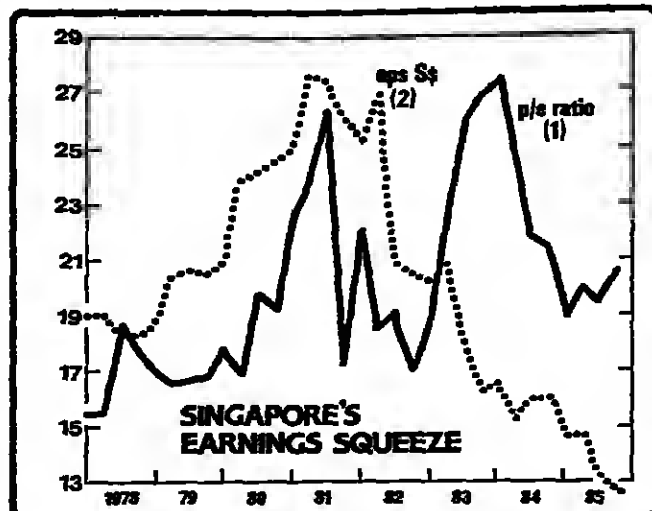
Another depressed sector is construction, which has seen a dramatic fall in awards of both public and private sector contracts. Many small private companies are complaining, and Lim Kah Ngam, a stock market newsmonger, reported a drop in earnings. But another relative newcomer, Lum Chang, showed an improvement, helped along by three important metro projects.

Even companies which are part of the super-conservative OCBC stable look less comfortable than usual. Straits Trading suffered a 78 per cent fall in attributable profits in the six months to June, while United Engineers' attributable losses slumped 11 times to \$34.8m in the same period.

The powerful media conglomerate Singapore Press Holdings, which operates the country's major newspapers, is also going through a period of austerity. It has already closed the Singapore Monitor evening paper and put up all its cover prices, and it is suffering a sharp fall in advertising revenue.

For local and foreign investors, therefore, there is little that is encouraging. Moreover the mood is soured by the collapse of such privately-held companies as Chop Hoo Thye, Lanipak and Active Construction.

Some analysts argue that even now the shares in most publicly-quoted Singapore companies are too expensive. Considering companies in the OCBC, for example, which includes 55 Singapore and Malaysian stocks, the price/earnings ratio at current levels of 19 to 21 is still historically high.



Source: Lyell & Evans, Singapore

- (1) Price/earnings ratio of companies in OCBC index, based on issued capital at end of quarter
(2) Earnings per share, based on net attributable profits of all companies in OCBC index.

Land reported severe losses for the second half-year in succession while Singapore Land, the largest developer, is expected to show a further profits fall in the current half.

The problem facing hotels is a substantial increase in available rooms this year and even more so in 1986, when the massive Raffles City and Marina Square developments

C. K. Tang has reported an attributable loss, as has Metro Holdings after provisions. Robinsons has reported its second year of operating losses after a 25 per cent fall in turnover, while other big names, both public and private — like Cold Storage, Istan, Yeehan and Emporium — are all feeling the pinch. Ironically, perhaps the most

MOTOR INDUSTRY

W. German luxury car maker gears up for the UK market

BY JOHN GRIFFITHS

BITTER, the specialist West German luxury car maker, is embarking on an expansion programme to increase production of its vehicles from about 300 a year to an envisaged 2,000 a year by the late 1980s.

A fund-raising company, Bitter Corporation, has been created which will inject \$20m into additional production facilities and a new sports car. This move precedes by a few months the introduction of Bitter cars into the UK market for the first time.

The cars have been produced by Bitter KG, the privately-owned manufacturing company, since 1972, with about 70 per cent of production sold into the U.S. market. Prices range from DM 140,000 (\$53,000) to DM 200,000.

Shares representing 45 per cent of Bitter Corporation, the new holding company, have been placed with securities markets in Europe and the U.S. Mr Erich Bitter, the company's founder and chairman, said, during a visit to London for the car's launch, that a production rate of 1,000 a year envisaged for 1987, with eventual capacity of 2,000 cars a year.

As part of the expansion, Bitter is developing a new sports car, intended to compete in the DM 55,000 price sector. Bitter uses floor pans from the Opel Senator range and Opel engines, transmissions and suspension parts — though much modified. The three-litre engine of the Senator, for example, is rebuilt by hand and enlarged to 3.9 litres.

Sales in the UK began this month through International Concessionaires, of Chesterfield UK prices, including taxes, range from £38,970 for a two-door sports saloon, through £43,970 for a four-door limousine, to £57,970 for a two-door cabriolet model. All the models offer leather-trimmed luxury at speeds up to 140 mph.

Mr Richard Lamb, a former director of Saab (GB) who is managing director of International Concessionaires, said the Bitter is targeted "at the driver who's had four or five Mercedes, a Porsche 930S or an Aston Martin and who now wants something different."

Mr Lamb said he envisaged potential sales of 400-750 units a year for the cheaper sports model.



The Bitter SC Coupé provides leather-trimmed luxury at speeds of up to 140 mph.

A FINANCIAL TIMES SURVEY

NORTHERN IRELAND

The Financial Times proposes to publish a Survey on the above. The provisional date and editorial synopsis are set out below.

NOVEMBER 26 1985

ADVERTISEMENT COPY DATE NOVEMBER 15 1985

INTRODUCTION
The Secretary of State and the Industry Minister are both determined to look critically at their interdependence. A review of progress in the Province and a look at prospects.

INDUSTRY
The Province continues to attract foreign investors and has recently secured its first Japanese investment U.S. groups, including a number of newcomers, are also making a continuing contribution to the Province's economy, particularly in high-technology fields. The order intake in shipbuilding and aerospace has also been encouraging. Developments in these and other sectors.

ECONOMY
The economy has stabilised but it remains heavily dependent on public spending. This has produced its own distortions, with those in employment enjoying living standards on a par with the rest of the U.K. Overall public spending is likely to be maintained though its allocation is being reviewed.

ENERGY
Northern Ireland may have a major new source of domestically produced energy available to it in the lignite deposits now being investigated in Co. Antrim. It is a further move on the energy front, a major power station is to be converted from oil to coal at a cost of £70m. This article will review energy developments generally.

POLITICS
The survey is being published at a critical time in the history of Northern Ireland, as negotiations between London and Dublin over a new Anglo-Irish relationship reach their climax. Publication will take place shortly after details of the talks have been released, so that a full assessment of their implications can be included. As such, the survey is likely to attract a wide readership among potential investors interested in the prospects for further stability within Northern Ireland.

INDUSTRIAL AID FINANCE AGRICULTURE PROFILES RESEARCH COMMUNICATIONS TOURISM

Brian Heron, Financial Times, Queen's House, Queen Street, Manchester, M2 5HT
Tel: 061-834 9381 Telex: 644813 FINTIM G

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

NOTICE OF REDEMPTION
To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.I.

(National Hydrocarbons Authority)

6½% Sinking Fund Debentures due June 1, 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on December 1, 1985 at the principal amount thereof \$556,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

Also Debentures of U.S. \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers:

On December 1, 1985, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as may be determined by the Fiscal Agent for the payment of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 136a New York, 30 West Broadway, New York, N.Y. 10013, or (b) subject to the regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan at the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg in Luxembourg. Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payee not recognized as exempt recipient fail to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

Debentures surrendered for redemption should have attached all unexpired coupons appurtenant thereto. Coupons due December 1, 1985, should be detached and collected in the usual manner.

From and after December 1, 1985, interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI

By: MORGAN GUARANTY TRUST COMPANY

OF NEW YORK, Fiscal Agent

October 24, 1985

NOTICE

The following Debentures previously called for redemption have not yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH

352608 5512 5022 16412 29834 24822

All change
at Charing X.

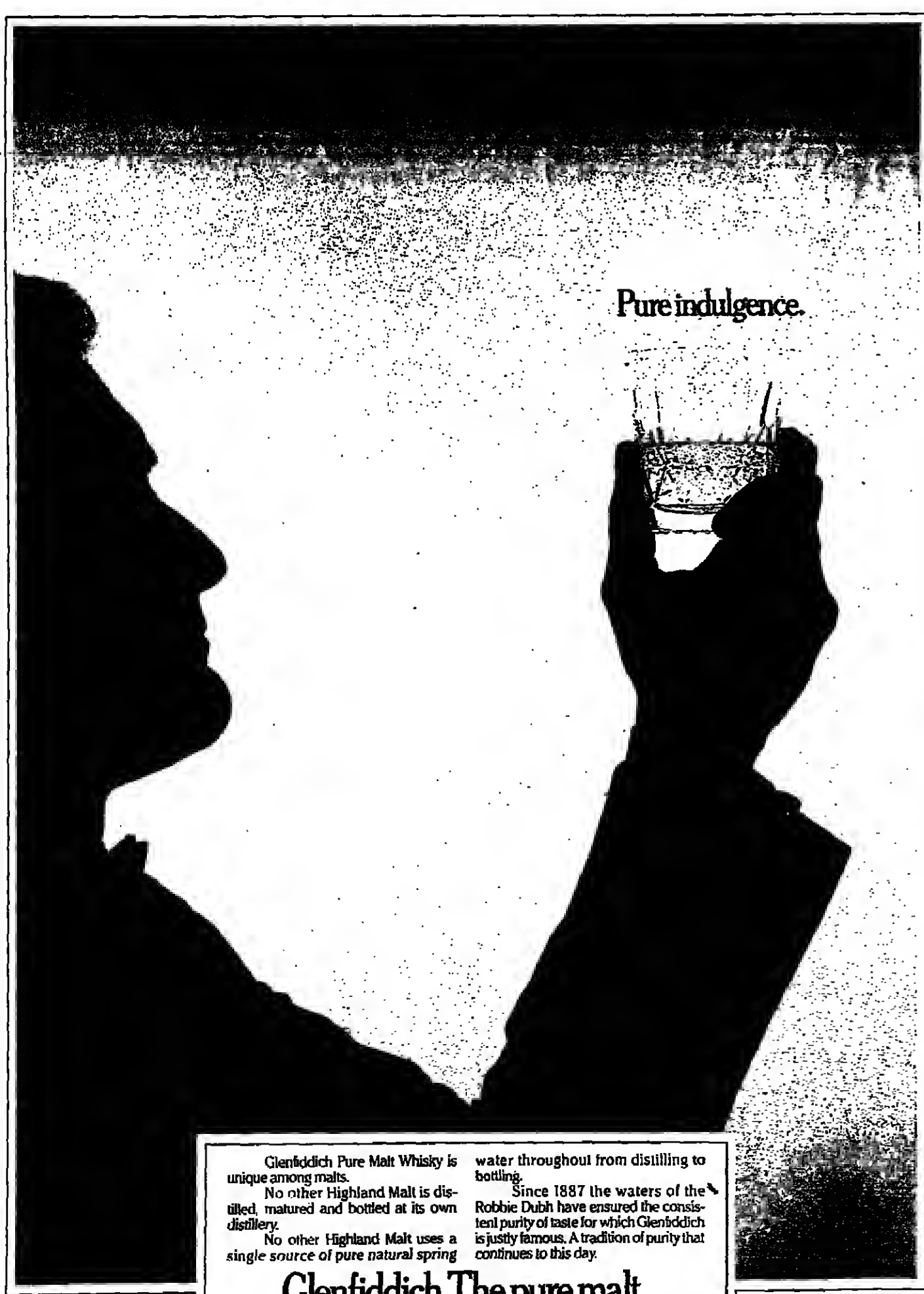
Today's hospitals are about symptoms and illness. We want to change all that. Charing X Medical Research Centre is about causes and health.

Because the best of cures is many times worse than not being ill in the first place. Agreed? Then please support us!

A hundred pounds to make patients more comfortable is soon completely used up. The same hundred pounds directed at rooting out a disease may never be used up. If research to that end is successful then the suffering it prevents is limitless. Incalculable numbers of people will benefit for generations to come. We need gifts from companies, charitable trusts, societies, schools and not least from individuals if our appeal is to succeed. So please act now.

CHARING CROSS MEDICAL RESEARCH CENTRE APPEAL
Please send your donation, as soon as possible, to: The Honorary Treasurer, Charing Cross Medical Research Centre Appeal, 100 Wood Street, London EC2 2AL

Name: _____
Address: _____
Amount Enclosed: _____
Tick for acknowledgement



Glenfiddich Pure Malt Whisky is unique among malts. No other Highland Malt is distilled, matured and bottled at its own distillery. No other Highland Malt uses a single source of pure natural spring

water throughout from distilling to bottling. Since 1887 the waters of the Robbie Duff have ensured the consistent purity of taste for which Glenfiddich is justly famous. A tradition of purity that continues to this day.

Glenfiddich. The pure malt.

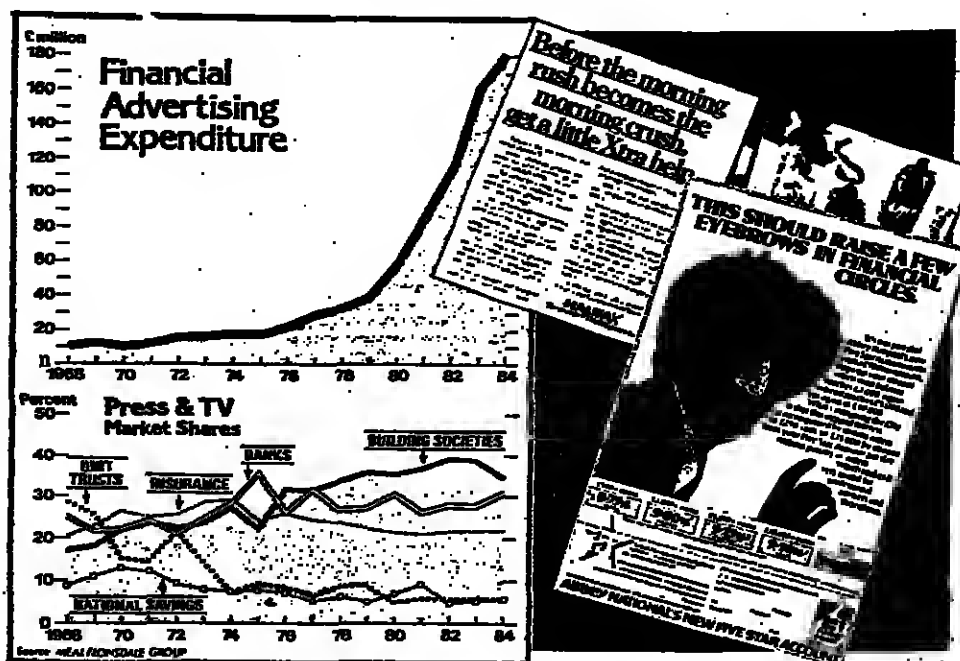
THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Building societies

Quest for an image

BY FEONA McEWAN



Building societies now top financial ad spending and stress their diversity of products

THIS WEEK a new advertising campaign breaks on British television. Nothing startling in that. Except this commercial—for the newly merged Alliance + Leicester Building Society—sets out to be startling. In a genre traditionally featuring smiling faces, happy families and brimming money boxes, the stars of this campaign are symbols—brilliant light, giant shadows, passports and a plus sign.

Elsewhere on our screens, that Minder favourite, George Cole, is wooing us in his rocky streetwise way to sink our savings into Leeds Permanent Liquid Gold accounts. Standing at the teller's desk in an aside to camera, Cole chirrups: "They've got this new account here, by the name of Liquid Gold. I know it sounds more like a lager, but listen, son, and you'll be sold."

The first principle of good advertising is to stand out from the crowd and this becomes ever more necessary in the current cut-throat business of fighting for the nation's savings. For building societies, which most consumers see as much of a muchness, the jockeying for position among themselves and against their major rivals, the clearing banks, has honed their advertising and marketing skills dramatically in the last 10 years.

Their need to be noticed has made them a stalwart of the UK advertising industry: they allocated a total of £60m in 1984, according to Media Expenditure by Analysis (MEAL), which makes them the sixth largest spending sector. Principal spenders are the Halifax, which advertises to the tune of £11m, Abbey National with £9m, Nationwide and Leeds each with £7m, Woolwich at £6m and Anglia and Bradford and Bingley both at £5m, according to MEAL's moving annual totals.

A look at building society advertising in recent years reflects a changing financial marketplace. Once their messages were all about the straightforward generic service, investment. Those were the days of the Honest Joe image, when societies were seen as friendly, approachable and eminently personable. The slogans summed this up: Mr Bradford and Mr Bingley; I'm with the Woolwich. Get a little Extra here. Get the Abbey habit.

Basically they were selling their names in the days when their product range was very limited. But come the late 1970s when there was an explosion of financial options for the investor and advertiser shifted its emphasis to specific products. Societies concentrated

on leapfrogging each other with their high interest accounts in what became the battle for the percentage sign. A commodity market was born and me-too marketing became the game plan. That remains true but there's now a more determined move to communicate a society's brand image, something the marketers of fast moving consumer goods have been practising for years.

Tom Vaughan, vice chairman of the Lonsdale Group, which has handled the Abbey National account for more than 60 years, notes: "All the societies face the same dilemma in their advertising, whether it will be the society's name that becomes the brand, or, like Unilever, its products."

Now with their deregulation in prospect, as outlined in the Government's Green Paper on building societies, societies seem likely to be granted the option of using up to 10 per cent of their assets for financial services other than property loans.

Some of the most persistent advertisers have branding devices already in place. The "Xtra" of the Halifax, now eight years old, has proved so effective that it has been integrated into other marketing areas with accounts like the Halifax Instant Xtra, says the agency, Brunning.

"Get the Abbey Habit" and the thumbs-up sign, now 11 years old, has proved a useful link for both hard and soft sell ads of corporate and product advertising. The new plus sign for the Alliance + Leicester, (which was designed by the Michael Peters group) ties in with the society's various Plus accounts (these premium interim accounts come with their own service and discount cards, or "differentiators," as marketers call them).

After monitoring the market for more than 30 years, Lonsdale's Tom Vaughan reckons there's not a lot that's new in the press advertising of building societies, though on television, being a newer medium, there is plenty of innovation. One of the more distinctive campaigns was the Alliance's rolling captions of the early 1980s, stark white lettering against a black background. It was cheap, effective and different. The message was "making your money make more money," which was based on the fact that the banks' overheads were more than double those of building societies. As well as appealing to the Alliance's existing investors, the campaign aimed at a younger audience with its

innovative execution.

Effectiveness of advertising in such a mercurial market place, especially with detailed press ads, is tricky to gauge, though obviously ads featuring off-the-page coupons or the launch of a new product are more measurable. "I can't think of another product where it can be out of date in minutes," says Vaughan.

Consumer awareness is a popular yardstick of effectiveness. Although the two biggest spenders, the Halifax and the Abbey National, consistently top the polls, perceptions of smaller societies with, say, half the spend, also come out strongly. The Woolwich, for instance, is the third most well known society according to Gallup research but fifth in spend. Bradford and Bingley is interesting too. Though only sixth in spending levels, it is third in terms of public awareness.

Television has traditionally been used for thematic messages, the corporate image and more recently for announcing new product initiatives (Halifax's Automatic Teller Machines or Leeds Liquid Gold accounts) with press used for specific detailed messages. According to Libby Child, the account director for Woolwich at Ogilvy and Mather, consumers respond more favourably to ads with a product mention, "or else they think you're not offering a very good deal."

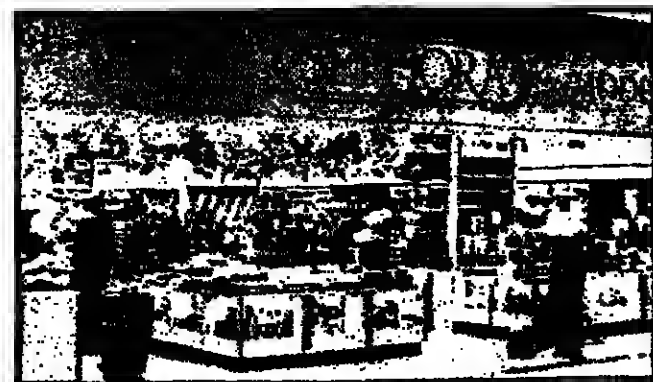
Future marketing initiatives among societies, in Wright's view, in what he calls the bid "first" will be selling products to the existing customers through direct marketing. "This way they can lock people in by cross-selling and build up a loyal customer base."

Building societies have been showing increasing interest along with other financial services in direct marketing in recent years. Brian Thomas, managing director of O&M Direct, notes that in the past 12 months there has been an escalating interest from building societies and other financial institutions in direct marketing where once it was mainly from consumer product companies. "Growing competition from banks, insurance companies and even government savings schemes," he points out, "means the database route (ie using existing customer lists) for spreading the word about new products, for instance, is an obvious and ready way to expand their business."

Originally customer lists were purely accounts related. More and more companies are compiling them with a more defined marketing profile of each customer, says Thomas.

On the scent of Boots in France

BY LISA WOOD



Boots' Sephora chain is due to have 30 outlets by next year

A FRENCH parfumerie is perhaps the last place that one would expect to find a display of Boots own label beauty products. Whereas the British chemist and retailer is noted for a supermarket approach to selling, French parfumeries—generally small family businesses—stress personal attention.

Yet Boots is carving quite a niche in the French retailing scene with its Sephora beauty chain. Sephora, with 17 outlets, is now France's largest beauty products chain in a toiletries market where 70 per cent of sales of the leading cosmetics and fragrances brands go through small independent parfumeries. In contrast department stores and French pharmacies each command a 9 per cent share.

While Boots will not make any claims about its market share it appears confident of taking a sizeable slice of the business and hints that it may export the name, Sephora of Paris, to other European markets.

The first Sephora shop was opened by Nouvelle Galerie, the French department store group in 1973. Boots, looking to expand its activities overseas, took a 70 per cent stake in the business in 1976. Norman Brown, Sephora's Francophile managing director, says there were differences of opinion between the French, who ran the business on a day-to-day basis, and Boots executives who jetted over every two weeks. Boots finally bought the business in 1979 with Norman Brown heading an all French team.

Brown was given two years to turn the then loss-making business round or else the prestige outlet, on Paris's chic rue de Plessy, was to be closed and another site chosen. He threw out the banks of exotic flowers that had greeted the shopper and introduced techniques based on the experience of Britain's biggest chemists' chain.

"We were initially accused of the 'sell 'em cheap and pile 'em high' mentality," says

Brown. "Instead of products being individually displayed rather grandly on the counter we displayed them in such a way that they could be picked up and examined by the customer."

Sephora outlets, with their marble floors and chic decor, now fill the gap between the general department store perfume and the more intimate independent outlet. There is not just perfume and cosmetics but also general toiletries such as toothpaste and shampoo as well as a few fashion items such as bags and lingerie.

While all the leading brands are available on the shelves priority is given to those goods that provide what marketing men call "added value." So while an exclusive anti-dandruff shampoo at Fr 135 gets pride of place, Head and Shoulders, the leader of this particular shampoo market is more discreetly displayed. "We aim to get a much higher profit margin than in Boots outlets in England," says Brown.

A few own label Boots products are on display but the intention is not to create French outlets for the English retailers' products. "We don't want to implant Boots stores in France," says Brown. "We are going for a much more international appeal. In fact, we could have made the stores more French."

The first store broke even in the first year. Two more opened in 1981 with the outlet in Forum Les Halles being cited by the company as one of the three success stories of the new shopping centre. More stores were then opened outside Paris: the current 17 include outlets in Marseilles, Nancy and Brest. Three more new openings are planned for 1985 with a target of 30 by next year.

Whereas turnover in 1983 was FFR 68m (£5.9m) it is forecast to exceed FFR 200m (£17.4m) this financial year. Investment to date has exceeded FFR 170m (£14.8m) and with a net positive cash flow this year Sephora expects to make a profit in the

next financial year. "The priority has been to invest in the market," says Francois Nuzzo, Sephora's finance director. "There is a lot of competition and it is quite a race."

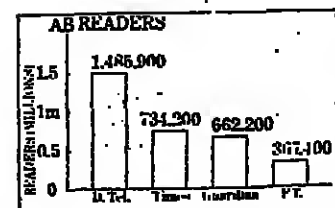
Brown has also sought to introduce new management techniques among his 350 full-time employees. After management control of Sephora was taken over by Boots, Brown introduced systems he had been working on in England. These included quality circles and making individual store employees responsible for a brand or section of merchandising rather than the traditional department store style of management. In contrast, stocktaking, filling counters and sales are strongly demarcated.

The chain has no central warehousing and each individual manager is responsible for direct purchasing within certain guidelines. It is a system that Brown believes encourages managers to adjust to their individual catchment areas. All the managers have two are women.

Undoubtedly Brown's own personality has played a part in the success of the chain. A quietly-spoken man who admits he spoke no French on his arrival in Paris his enthusiasm is clear to see as he chats to his staff and engages in conversation with a couple of Parisienne perfume retailers, all of whom undergo training with the different manufacturers.

Not all manufacturers were enthusiastic about Boots's approach initially. Brown rather gleefully tells of how one exclusive skin products company resisted his selling of their products on the open shelf. The company preferred to use the time honoured tradition of having its products on a display with its own trained specialist. "We simply asked them if we could make a trial and put the products out on open display," says Brown. "When the company saw the returns they let us continue."

IT'S THE WISE MAN WHO KNOWS YOU CAN NEVER CUT THE COST OF TRUE VALUE.



In recent months most national newspapers have been making a mockery of their advertisement ratecards.

But, in all the excitement of slashed prices, some very important numbers

have been left out. Like 1,485,900 AB readers.

That's how many decision-makers and opinion leaders the Daily Telegraph reaches every day. Twice as many as The Times.

And more than The Times and The Guardian put together.

So the next time someone makes you an offer, be sure it's good value.

To get more information about the Daily Telegraph and its readers, just ring Garry Thorne on 01-353 4242.

Daily Telegraph

IT COSTS LESS WHEN YOU'RE BUYING RESULTS.

CHINESE WHISPERS

In the business community, news, facts and opinion are hot commodities.

Because they make the difference between being one step ahead and one step behind.

Today, the grapevine isn't enough. In fact it can be downright misleading.

Making the right decisions in business means making informed decisions. And making informed decisions means being able to gather and review a host of background material on any topic from a vast range of published sources.

Which is what NEXIS, from Mead Data Central, enables you to do in minutes.

NEXIS is the unique desk-top researcher which through any personal computer or existing terminal, will scan, select, read and retain information from the full text of more than 8 million articles in over 175 international publications.

By any other means, an impossibly time consuming task.

News travels fast in the business community. With NEXIS you get it faster and you get it right.

THE HARD FACTS



Check out NEXIS NOW by calling Rowena Farrell

01-488 9187

NEXIS® MEAD DATA CENTRAL INTERNATIONAL HOUSE, 1 ST PATRICK'S SQUARE, LONDON E1 1JN TEL 01-488 9187

International Appointments

MINISTRE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES

(Ministry for Energy and Chemical/Petrochemical Industries)



SONATRACH IS RECRUITING THE FOLLOWING PERSONNEL FOR ITS

- Research Departments
- Research Laboratories
- Design Offices
- Oil Exploration Departments
- Hydrocarbons Production Plants
- Hydrocarbons Processing Plants
- Marketing Organisations
- Planning and Management Organisations

High-level executive-class personnel, ie postgraduates with specialist technical or commercial diplomas in all subject areas, with a view to employment in the wide sector of activities relating to the hydrocarbon industry.

To all Algerian executives, resident either in Algeria or abroad: Sonatrach is offering you the chance to participate in and contribute to our major development effort, by integrating you into our various research, extraction and production teams.

All specialist qualifications and experience will be welcomed into an appropriate framework of active application.

Please address your requests, cv's and qualifications to:

**DIRECTION CENTRALE PERSONNEL
DEPARTMENT SELECTION ET FORMATION
10 RUE DU SAHARA—HYDRA—ALGERS**

All applications conforming to the above requirements will be followed-up.

Den norske Creditbank

STAVANGER, NORWAY

Forex – Chief Dealers spot and Forward-Interbank and clients

DnC Stavanger is in the process of setting up a Forex department covering the full forex activity related to both the interbank and client market.

For this purpose we seek qualified personnel to head up the spot and Forward desks. We are looking for young energetic persons, Norwegians or foreigners interested in the challenge of developing a new link within the DnC Forex activities in a city in Norway that is the capital of the Norwegian oil activities and consequently has a very international environment.

DnC will offer attractive terms and conditions to the right persons. For further information please contact: Regional Manager Bror Sverre Fugelli, DnC Stavanger Norway, phone 47-4-52 60 00, or Birger Langeland/Jonathan Frewen, DnC Oslo, phone 47-2-42 91 27. Written application to be sent by 1st November 1988 to Regional Manager Bror Sverre Fugelli, DnC Stavanger, P.O. Box 198, N-4001 Stavanger.

Den norske Creditbank

Company Secretary Luxembourg

Our Client, a publicly traded international investment company, has a vacancy for a Company Secretary to be located in their Luxembourg office. The successful applicant will have a wide knowledge and experience of corporate secretarial functions and company administration generally. Legal training and background would be a distinct advantage.

Applicants, male or female, should be qualified with at least five years post qualifying relevant experience. A working knowledge of French is also necessary.

The remuneration package will be attractive and will reflect the responsibilities and career opportunities of this key position. Assistance will be given with relocation and a company car will be provided.

Confidential Reply Service: Please write with full CV quoting reference 1085/DT on your envelope, listing separately any company to whom you do not wish your details to be sent. CVs will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment Limited, 36 East Street, Bromley, Kent BR1 1QS.

CHARLES BARKER
ADVERTISING-SELECTION-SEARCH

General Appointments

Hoggett Bowers plc City Division

Account Officer, Private Banking

\$ Neg + Benefits

A leading International Bank is seeking a High Calibre Account Officer to join their Private Banking West End Office. The successful candidate reporting to the Manager, UK, Bands 2 & Latin America will assist in the provision of a full range of financial services and products to High Net Worth Clients. A good knowledge of Spanish is essential and working experience in a similar environment will be a distinct advantage.

This is an excellent opportunity to join an expanding team and an attractive compensation package with the usual bank benefits will reflect experience and qualifications. Male or female candidates should telephone Rachel Knox in confidence for a Personal History Form quoting Ref: 433/FT.

01-628-4200 Ext. 286/78. International Business Centre, 2 London Wall Buildings, London Wall, LONDON EC2M 5PP.

Recruitment Consultants

Thermal Scientific plc

Group Company Secretary

Derbyshire c£18,000+ car + stock options

A Company Secretary is required for Thermal Scientific, one of the world's leading groups in products based on thermal technology. Group turnover has increased to £20M and pre-tax profits to £2.8M following planned expansion in the UK and US.

The key tasks will be to provide a professional service for legal and statutory matters within the group and to give comprehensive administrative support to the Chairman and Board. Self-motivation, flexibility and the ability to react quickly in a challenging growth environment are vital requirements.

Candidates aged up to 45, should have appropriate legal or accountancy qualifications and at least five years' experience of company secretarial work. A proven track record as secretary or assistant secretary in a public company would be an appropriate background. This is a senior appointment reporting to the Group Finance Director and a commensurate salary and benefits package will be negotiated. The Company has a stock option scheme and career prospects are excellent in this expanding group.

Applications with full career details should be sent to:
Mr J. D. Gilbertson, Thermal Scientific plc
Barnford, Sheffield S30 2AU.

SENIOR DEALER – GILTS

Salary around £17,000

Halifax Building Society wishes to recruit an additional Dealer for its Treasurer's Department based at Head Office in Halifax.

Invested funds are now in excess of £312 billion and the Society has a substantial presence in the wholesale money markets. The person appointed will be primarily involved in dealing British Government Securities and relevant experience in this area is essential. A professional qualification would enhance future prospects.

The post carries a full range of benefits, including a contributory pension scheme, life assurance, BUPA and staff mortgage facilities.

To apply please send a full CV, marked "Private" to the General Manager, Personnel and Services, Halifax Building Society, PO Box 60, Trinity Road, Halifax HX3 2RG.

HALIFAX
BUILDING SOCIETY
An equal opportunity employer

HOARE GOVETT

require a

Young Authorised Clerk

for the

Private Clients Department

(preferred age 20-25)

also a Blue Button for general duties
(preferred age 18-21)

Excellent salary and benefits

Please telephone Ruth Colley

on 01-404 0344 for an application form

BUSINESS RESEARCH

An international financial services company based in London is seeking two people to assist in researching the wide-ranging business opportunities the company intends to exploit over the coming years.

Candidates will be in their late twenties with at least three years' experience in a leading merchant bank or stockbroking firm, with a strong background in research or corporate finance. The ability to develop, prepare and present business plans is essential. The successful candidate will work closely with the Managing Director and other members of the Board on specific assignments, some of which may involve periods abroad. An accountancy or legal qualification would be no hindrance, but is not a pre-requisite.

Please send your C.V. and any other matter you think would be of interest to us to:

Box A917D, Financial Times
10 Cannon Street, London EC4P 4BY

Marketing and Sales Opportunity

Licensed Dealer in Securities requires:
Sales Personnel with financial background

- Expected income £30,000 p.a. plus
- High commission payout
- International client and product base
- Private medical cover
- Excellent working conditions
- Experience in telephone sales preferred but not necessary

Please reply, enclosing brief curriculum vitae to:
Box A9169, Financial Times
10 Cannon Street, London EC4P 4BY

SENIOR CORPORATE INVESTIGATOR/FINANCIAL ANALYST

Married Status

Saudi Arabia
Salary Negotiable

Aramco, the world's largest oil and gas producing company, has a requirement for a Senior Corporate Investigator to join its Internal Services Group.

Applicants should hold a degree, or equivalent qualification and possess considerable experience in financial analysis/procurement systems analysis in the Internal Audit or Investigation Department of an industrial corporation, financial institution, government department or at senior rank in a commercial branch of a UK Police Authority or HM Customs and Excise.

They should be knowledgeable in the application of EDP techniques as an aid to investigation and should be able to support their application with a history of proven career successes to date.

The position will appeal to a candidate who is capable of exercising considerable personal initiative and discretion as a member of a small well-established multi-disciplined team responsible for conducting complex investigations of the utmost sensitivity into all aspects of the company's world-wide operations.

The benefits package is excellent and, in addition to a highly competitive salary with usual expatriate tax advantages, includes unrivalled sports, medical, recreational and social facilities, an indefinite term employment agreement, subsidised air-conditioned accommodation, generous holidays with company paid return air fares and educational assistance programme for dependent children.

Please write with full cv, quoting ref: FIN/286, to Webb Whitley Associates Ltd, International Recruitment Consultants, 45 Kensington High Street, London W8 5ED.

ARAMCO Webb Whitley Associates Ltd
partners in progress



An ambitious marketing program enabled us to achieve a significant growth rate over many years. In order to keep pace with this rapid expansion, we are looking for a (m/f)

Customer Credit Manager

for our European Headquarters in Brussels.

You will report directly to our Vice-President Finance and your prime responsibilities will be:

- Analysing the credit worthiness of our potential customers; for this function you will need credit analysis experience in a banking or other financial environment or in a similar position in a multinational company;
- Negotiating with customers as well as financing institutions throughout Europe to establish financing and leasing packages; for this function you must be thoroughly familiar with short and long-term financing techniques in Europe.

Your educational profile will show:

- a university degree in Economics specializing in finance or banking;
- a post graduate degree in business administration, preferably a MBA;
- fluent English (a knowledge of one or two other major European languages will be an asset).

If you meet these requirements, please send your handwritten application together with a photo and detailed curriculum vitae to: Universal Communication (ref. AH/COM), chaussée de La Hulpe 122, B-1050 Brussels, Belgium. All applications will be answered.

BANKING REPRESENTATIVE BAHRAIN

to US\$60,000 per annum
with excellent expatriate benefits

A leading Financial Institution in Saudi Arabia seeks an experienced Banker to be the Resident Representative in Bahrain. He will be responsible for maintaining and developing Correspondent Banking relationships on a broad scale including multi-currency syndications. Recent exposure to responsibilities of this nature and knowledge of the Banking Community in Bahrain will be an advantage.

Reporting directly to the General Manager in Saudi Arabia this will be a Senior Management position with opportunities for career progression.

Please reply in confidence enclosing a detailed cv. to:

R. H. White

Onslow Associates

21 Cleveland Place, London SW1Y 6RL

ONSLOW

EMPLOYMENT CONDITIONS ABROAD LIMITED

An international association of employers providing confidential information to its member companies relating to employment of expatriates and nationals worldwide.

Anchor House
15 Britten Street
London SW3 3TY
Tel: 01-351 7151

FINANCIAL PRODUCTS

Futures and Stock Salesman

needed for small expanding Brokers on the Continent

Basic salary, accommodation and travel included

LEADS PROVIDED GENEROUS COMMISSION

Write Box A9142

Financial Times, 10 Cannon Street, London EC4P 4BY

BANKING MANAGER – ISLE of MAN

Salary to £18,000 p.a.

A Banking Manager is required by a newly licensed deposit-taker in the Isle of Man which is a subsidiary of a United Kingdom private banking services organisation.

Applicants should have a sound knowledge of deposit-taking and money markets, both in Sterling and other currencies. Preference will be given to those with previous banking experience at management level, with particular emphasis on dealing with customers. Previous off-shore experience would be an advantage but is not considered essential.

The remuneration package will depend upon qualifications and experience, but will not be a limiting factor for the right candidate. Relocation expenses will be covered where necessary.

Applicants should apply, in writing, giving brief but comprehensive details of their career to:-

C. Playle-Mitchell, F.C.I.S.,
36 Finch Road, Douglas, Isle of Man.
All applications will be treated in the strictest confidence.

Deutsche Bank to raise DM 1bn in cash call

By Jonathan Carr in Frankfurt

DEUTSCHE BANK, West Germany's biggest commercial bank, is raising more than DM1bn (\$380m) through a 1-for-15 rights issue, so arming itself for another phase of strong business growth.

In the action, which will boost capital by DM 117m, the bank will offer the new DM 50 nominal shares at DM 450 between November 12 and 26. The new shares will be eligible for the full 1985 dividend.

The move will raise the total share capital and reserves of the parent bank to about DM 7.32bn and that of the Deutsche Bank group to DM 8.76bn.

It means that the Deutsche - in contrast to some key domestic rivals - will already have met the tougher capital-to-lending provisions of the revised credit law, which took effect this year.

Under the law banks have to consolidate the business of their foreign subsidiaries and ensure that total credit volume does not exceed 18 times capital plus reserves. A transition period until 1991 is being allowed to meet the new rule in full.

In principle banks could decide to hold back their lending to help meet the tough provisions, but with its sharp boost in capital now the Deutsche has underlined its determination to press ahead with business expansion.

The bank has reported operating profit up by 7.1 per cent in the first half, and looks to be heading for another record year. Last year it earned about DM 2.8bn in operating earnings in the parent company.

Close to DM 4bn in the group and paid an unchanged dividend of DM 12 per DM 50 nominal share.

Business volume was down in the first half of this year - in the parent bank by 2.8 per cent to DM 139.3bn and in the group by DM 3.1bn to DM 233.3bn.

But the tempo is believed to have picked up since - and prospects are good for fairly strong economic growth in West Germany next year, implying buoyant banking business.

Deutsche Bank last raised capital through a 1-for-12 rights issue at a price of just DM 250 per share in March, 1984.

Now the stock market is booming and the Deutsche share price (partly in expectation of the rights issue announcement which came later in the day) closed at DM 680 - DM 10.50 up on the closing figure of Tuesday.

Plessey wins order from Japan

By Guy de Jonquieres in London

PLESSEY, the UK-based electronics group, has won a £250,000 (\$357,500) telecommunications equipment order from Japan which the company hopes will lead to further sales totalling several million pounds a year.

The order, for 20 Monarch small private branch exchanges (PBXs), was placed by Nitsuko, a telecommunications apparatus maker. It is believed to be the first Japanese sale of digital PBXs by a UK manufacturer.

Nitsuko will use the PBXs for field trials in the next three months. The Monarch has already been approved for sale in Japan and Nitsuko has said that if the trials go well it may order as many as 500 more exchanges, worth about £5m, early next year.

Plessey says the deal was concluded in the face of competition from NEC, one of Japan's largest telecommunications makers, which owns 34 per cent of Nitsuko.

Plessey has had dealings with Nitsuko for several years, but until now only as an importer of the Japanese company's products. Last year, Plessey bought £12.5m worth of small key-system telephone exchanges from Nitsuko.

GM attacked for failure to boost UK subsidiary

By Peter Riddell and Kenneth Gooding in London

GENERAL MOTORS, the world's largest automotive group, has angered the UK Government by failing to come up with a formula for its Vauxhall subsidiary to increase production and the British content of its vehicles.

In the most critical public remarks yet made on the subject by a minister, Mr. Leon Brittan, the Trade and Industry Secretary, said yesterday in the House of Commons he was regretted that "after lengthy discussions, Vauxhall is not yet ready to go further in proving that it really is a British car producer."

He added to GM's embarrassment by contrasting its position with that of its main rival, Ford, which has told the Government it plans to maintain or increase the 80 per cent British content of the cars it builds in the UK and to make 70 per cent of its UK car requirements in its British plants.

Mr Brittan noted that Vauxhall intended to raise the UK content of its cars and light vans produced in Britain from an average of about 48 per cent last year to about 49 per cent by the end of 1985. The company also aims to increase the number of cars and light vans produced in the UK from 45 per cent of its British requirements last year to 56 per cent this year.

Admitting disappointment over Vauxhall's intentions, Mr Brittan pointed out that British component producers could help themselves by manufacturing products which General Motors would have to include on price consideration alone.

Later during Commons questions, Mr John Birt, a junior industry minister, said: "The onus is now very much on General Motors to increase the British content of its UK build and to increase the share of the British market that it satisfies from its assembly at its British plants."

Earlier in the day, Mr John Fleming, chairman of Vauxhall, defended his company's performance and dropped a clear hint about why GM could not move ahead any faster in Britain.

"We must earn a proper return on investments that have been made and will be made. We must become self-sufficient and reward our shareholders, General Motors, for the faith it has shown in us," he said.

Mr Fleming pointed out that Vauxhall, which reported a £6.8m (\$9.75) net loss for 1984 compared with a loss of £3.1m the previous year, had spent £200m at its plants at Ellesmere Port, north-west England, and Luton, Bedfordshire last year and introduced two-shift working.

Problems with new automated equipment to produce Astra cars and vans at Ellesmere Port had held back output to 25 vehicles an hour, compared with the planned 35, while Cavalier production at Luton was constrained because the paint plant could handle only 32 cars an hour.

This was being put right Mr Fleming said.

UAW claims Chrysler victory, Page 6

Halifax launches first private sector inflation-proof bonds

By Clive Wolman in London

THE FIRST inflation-proof UK bond to be issued by the private sector was announced yesterday by the Halifax building society.

The initial £15m (£21.45m) that the Halifax has raised for a 35-year term will finance the purchase or construction of 1,300 houses in what is believed to be the first perfectly matched portfolio of assets and liabilities to have been set up by a building society. Societies normally raise money from investors for short periods and lend it to home owners on lengthy mortgage terms.

The Halifax has the right to raise another £35m by issuing further index-linked stock in the same series. The coupon of the stock has been fixed at 3.875 per cent, but it will become linked to the retail price index (RPI). The real (inflation-adjusted) redemption yield from the stock will be about 3.85 per cent.

Mr Robert Rees from the London stockbroker W. Greenwell, which has placed the stock privately with mainly pension fund clients, said that he hoped to obtain a stock exchange listing for the bond. But first they had to overcome legal obstacles arising from the status of the Halifax as a mutually owned

unincorporated organisation. The issue has been arranged by the merchant bank Samuel Montagu.

The £15m will be lent to the Milton Keynes Development Corporation and to housing associations in London's docklands, the South East, and the Midlands in England and South Wales. The money will provide housing for the elderly and single people. Some housing will be rented, while other ownership will be shared between the housing association and the occupier.

The cuts in public sector housing finance have imposed "an artificial limit" on this type of arrangement and left unsatisfied demand which can now be tapped, Mr David Contie, the housing development controller of the Halifax said.

"Index-linked finance is ideal for this type of project but we were prepared to offer it only on a fully matched basis and not out of our general investors' funds," said Mr Richard Wheway, Halifax finance director.

The housing associations and development corporation will charge rents on the property which will rise approximately in line with inflation. They will pay the Halifax monthly interest at a compounded

annualised rate of initially 4.87 per cent. Their interest payments will also rise in line with the RPI, giving the Halifax a spread of about 0.72 per cent to cover the administration costs and credit risk.

The Halifax will supply mortgage funds of up to 90 per cent of the initial value of the underlying housing stock. But Mr Contie agreed that a had debt risk would emerge if the market value of the housing failed to rise in line with the RPI and thus the value of the outstanding debt over the 35-year period.

Stockbrokers said yesterday that the Halifax, as the UK's largest building societies with about £22bn of assets, was one of the few with sufficient reserves to absorb the credit risk. Nevertheless, other building societies are expected to follow. A broker estimated that societies could raise £500m a year in index-linked stock.

The Nelsonwide building society was the first to issue index-linked mortgages and raise index-linked funds, in its case from its individual investors. But its efforts have been plagued by legal difficulties.

Building society advertising, Page 13

GEC plans 'Chunnel' stake

By Andrew Taylor in London

GENERAL ELECTRIC Company (UK) is negotiating to take a stake of between 5 per cent and 10 per cent in Eurotunnel, one of four rival groups applying to build a fixed link across the English Channel.

Last weekend British Telecom announced it was taking a stake of about 10 per cent in the British arm of Eurotunnel - an Anglo-French consortium proposing to span the Channel with a combination of bridges and tunnels providing road and rail links.

BT and GEC's investment will form part of the £50m (£72m) which the consortium says it needs to raise, half in the UK, to get the project to a stage where detailed funding can begin. The consortium has already spent £12m preparing its application.

The sums are small by comparison with the £3.5bn Eurotunnel expects to have to raise to complete the road and rail links by 1993. The majority of this is expected to come from international financial markets in development loans and new equity.

Preliminary discussions have taken place in recent weeks between Eurotunnel and bankers and institutions in London, Paris and New York.

GEC's motives for wanting to join the consortium are understood, however, to be associated more with the possibility of winning work for its electrical engineering subsidiaries rather than with any desire to become a major long term investor in a Channel link.

Other British members of the consortium include: Trafalgar

House, Associated British Ports, British Shipbuilders, British Steel, Barclays Bank and Kleinwort Benson.

Applications for a licence to build a privately-financed Channel link must be lodged with the British and French governments by next Thursday (Oct 31). Until recently it had been thought only three groups would apply, but a fourth scheme, backed by Sea Containers, has emerged in the last few weeks.

Sea Containers, the Bermuda-based shipping group which last year bought Sealink, the ferry company, from British Rail, has said that it intends to submit an application, but the company has so far declined to reveal details of its plans.

These are understood to involve twin tunnels

Reagan in bid for summit initiative

Continued from Page 1

conference in Sofia yesterday to attend the special General Assembly session commemorating the UN's 40th anniversary, which has brought some 80 world leaders to New York this week.

Mr Reagan told the Times of India that in Geneva he would ask Mr Gorbachev to withdraw Soviet troops from Afghanistan, paving the way for a political solution

there and that he would also raise other areas of "regional tensions."

He wanted to discuss bilateral U.S.-Soviet relations and "the obligation of both our nations to respect human rights."

"All of these issues are as important to us as the question of nuclear arms," Mr Reagan said. U.S. officials are saying that in particular

Mr Reagan will today be blunter on human rights than in a conciliatory speech on arms control he gave to the UN one year ago.

The danger of a sharp clash on human rights at the summit was acknowledged by Mr George Shultz, the U.S. Secretary of State. Under Mr Gorbachev, "these people have a different attitude, more combative," Mr Shultz told reporters.

Continued from Page 1

foreign have joined together to match a mixed credit offer to a poor, underdeveloped country.

Under pressure from Congress, Eximbank has made offers of mixed credits in the past, mostly trying to underbid the aid offered by the French. Of the 11 offers put forward, only three have been accepted, and one ultimately went ahead without the bank financing. Last month the bank announced that it had outbid the French to win a \$44m order from Brazil for hospital equipment.

Peter Riddell in London writes: The British Government will short-

ly announce details of long-term soft, or low-interest, loans to be made available as part of export support packages.

Mr Leon Brittan, the Trade and Industry Secretary, confirmed in the House of Commons yesterday that the Government accepted in principle that long-term, low-interest loans similar to those offered by competitor countries should be made available in appropriate circumstances. He stressed the need for a flexible approach involving mixed credit packages. He said his department's officials were having discussions on the subject with the Chinese Government.

Belgians in TV satellite deal with Murdoch

By two Dawnay in Brussels

GROUPE Bruxelles Lambert, the Belgian financial and industrial holding company, yesterday announced that it had established a joint venture with Mr Rupert Murdoch's News International aimed at developing cable and satellite television services.

The new company, to be called Media International, will lay the foundation for an international television distribution network. It will have an initial capital of Bfr 25m (\$480,000).

One of GBL's principal shareholders, Power Corporation of Canada, recently acquired a significant holding in Télé-Métropole, which controls one of Canada's 10 national television channels and several local stations.

The two moves represent a further consolidation of GBL's communications interests and follow closely on its recent acquisition of Editions Dupuis, a Belgian publisher whose activities extend to printing and audio-visual fields.

The new links also promise collaborative deals between Télé-Métropole and Compagnie Luxembourgeoise de Télédiffusion (CLT), the holding company for RTL, which is 54.6 per cent owned by Audioline, a GBL subsidiary.

RTL, which broadcasts radio and television to Luxembourg, France, West Germany and Belgium, has in turn been negotiating with the French authorities to take two channels on the new TDF direct broadcasting satellite scheduled to be launched next summer.

Mr Murdoch has been aggressively expanding his broadcast satellite and entertainment interests, especially in the U.S., in recent months.

Mr Albert Frere, GBL's chief executive, will sit with Mr Murdoch on the board of the new Media company, whose president and vice-president will alternate each year between representatives of the two groups.

The new company will consider programme production and joint acquisitions of programmes for each group's television services.

Pretoria debt talks stalled

Continued from Page 1

show that South Africa's total debt is \$23.9bn, including \$1.5bn in short-term trade credit not covered by the standby that South Africa has asked its bankers to maintain.

The breakdown also shows that, of the total, \$12bn is public-sector debt, \$8.7bn is debt held by South African banks, \$1.3bn is owed by the Reserve Bank and \$4.7bn by private-sector borrowers. The figures are before double counting estimated at \$2.8bn.

An economic analysis presented by Dr Stals to yesterday's meeting also warned of difficulties ahead if South Africa was forced to run a current-account balance-of-payments surplus over the medium term for want of fresh credit.

The analysis showed that the balance of payments was in surplus by R2bn (\$774m) in the 12 months to June this year and in "sizeable surplus" in the third quarter.

"The anticipated scenario for 1988 is one of moderate economic growth with a sustained, albeit somewhat smaller, surplus on the current account of the balance of payments and no significant demand pressure on prices."

Fabius and Chirac head for N-tests

Continued from Page 1

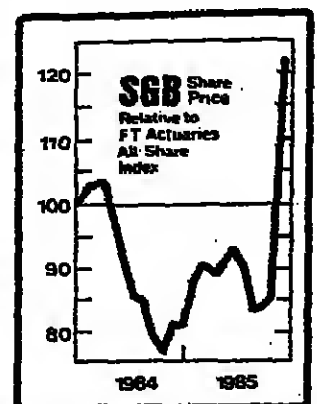
Paul Quilès, the new Minister of Defence, as well as by parliamentarians and journalists. The Prime Minister had sought a stronger delegation from the Opposition to help to give the impression of a national consensus over the testing programme. But the Opposition fears - particularly on the eve of M Fabius's face-to-face debate with M Chirac - that the Government will exploit their presence for partisan purposes.

M Fabius's visit follows closely on the heels of the visit last month to Muroro of President François Mitterrand and other members of the Cabinet.

M Chirac will find himself in the unenviable position on Sunday of having to support M Fabius's initiative. He has already strongly condemned New Zealand's opposition to French testing.

THE LEX COLUMN

More funds for the firemen



The flotation of Fireman's Fund is neither truly an initial offering, since the company was independently quoted until American Express bought it in 1983, nor is it anything like as large in real terms as the Ford issue, which had held the record for nearly 30 years. But \$824m is quite a large amount of stock for even the U.S. equity markets to digest, and that, along with a sluggish aftermarket in the recently floated stock of Rockefeller Center, explains the slightly cautious pricing of the shares at \$23.75.

It looks a good moment for American Express to reduce its holding in an investment that had been one of its major headaches. After going through the wringer, property and casualty insurance has come back into Wall Street favour, looking toward a big margin gains that are thought to be in store from 1986 onward. Yet the sector's chances of outturning the market have surely been reduced by its capital raising this year (around \$2bn so far).

Including the \$200m or so that Fireman's Fund itself is raising through this issue, it has absorbed over \$800m of capital in the last couple of years, largely in compensation for a previously rather optimistic policy on reserving.

Now that FF appears nicely set up to enjoy the improved underwriting climate, American Express can pull back the cash previously injected, strip out the life business which it still wants, offer some growth prospects to new investors and still maintain a sizeable investment.

South Africa

Yesterday's meeting of South African and international bankers only served to deepen the gloom over the chances of reaching a quick settlement on the country's external debt. In advance of the meeting, both gold shares and the rand had fallen sharply, so yesterday's small bounce back was almost inevitable. But this seems like little more than a correction while the lack of agreement hangs over the market.

When the moratorium was announced, the deadline for agreement on rescheduling terms was supposed to be the end of the year. Now this looks almost inconceivable and the odds will be lengthened still further if the South Africans insist on longer maturities on their loans than the banks are prepared to offer. In other resched-

ulings, banks have often been prepared to meet debtors' demands with South Africa, however, the political embarrassment of giving in would probably be too great.

Gold shares, meanwhile, have been dragged down by the weakness of the rand; their sterling value has halved in the last six months. And shareholders are not even being rewarded by bear market yields. Dividends payable in rands have shrunk, too, so that the average sector yield of around 12 per cent is way below its previous high of over 20 per cent in 1976. If Western banks are not prepared to lend to South Africa for eight years, why should Western investors wait that long to be paid back?

BET/SGB

BET's offer for SGB would appear to satisfy everyone but the directors of SGB itself. Whatever Beazer's original motive in launching its partial tender offer, it has at least flushed out a counter-offer which guarantees it a substantial profit on its original holding. SGB shareholders will receive more money for their shares and, what is more, for all of their shares. And BET presumably believes that its enhanced market presence in scaffolding will justify what looks a rich price.

BET was willing to play the white knight to Beazer's dark horse, and it is a matter for regret that SGB's directors have turned the latest offer down flat. SGB's profits have gone virtually nowhere for the past six years, so the board's statement that the BET offer grossly undervalues the company's prospects rather tests the credulity of the market. Confronted with a bid which values their investment at 13.8 times historic earnings - and

not much less than that on a prospective basis - SGB shareholders would do well to ignore the board's advice.

The most likely challenger in bid is the Office of Fair Trading. BET was busy playing down the significance of a 30 per cent market share in scaffolding yesterday but, given the fragmentation in that industry, the OFT may have a less relaxed view. If it is right, BET believes that it will suffer no earnings dilution over the year to March. That looks a good order, but a company which is not obliged to make such a claim - and then keep them.

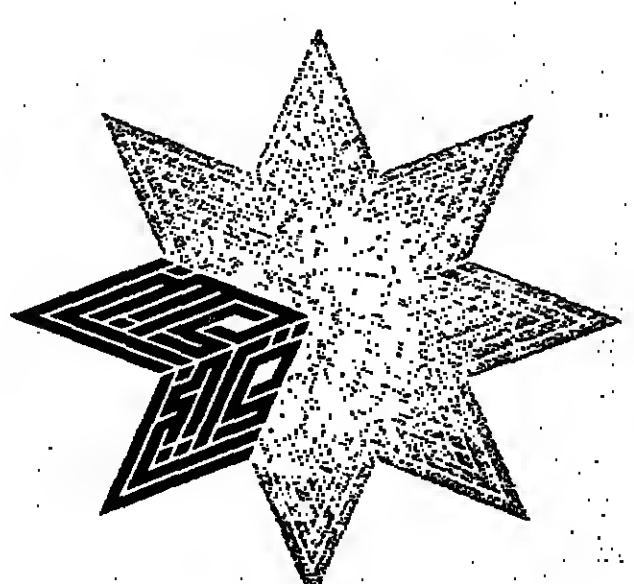
Halifax

Building societies are not, as yet, prepared to wait for the forthcoming Act of Parliament passed before testing whether ground in financial markets. Some have already ventured into the Eurobond market and now the Halifax has launched the first private sector index-linked bond. It yields about 60 basis points more than its equivalent gilt-edged stock, and at 35 years, its maturity is ideal for insurance companies and pension funds. These institutions can now invest in small, fixed accommodation without the administrative kind of having to collect payments.

Halifax, which does the "right" thing, takes a turn by changing housing associations around in its portfolio more for their money. But the rate is still only a 100-basis-point 4.87 per cent which, for house-buying more affordable to people on low incomes, is a reason for the low interest rate. They are effectively sacrificing some of the future appreciation of their property, because their repayment of principal is index-linked.

As an intermediary, Halifax is taking most of the risks. It has avoided the problem of misaligned maturities, but it is vulnerable to bad debts and to the possibility of house prices not rising as fast as inflation.

Prices in the low end of the market have apparently corrected rather well with retail prices in the past, and Halifax at least has 10 years to iron out the bumps, but while yesterday's placing of the bond was in some respects an experiment, we are unlikely to have to wait another 35 years to see more on offer.



ANATOMY OF A STAR

Look carefully at the star above and you'll find that it's made up of four arrowheads. Each arrowhead comprises two "stretched" rectangles which contain, in Arabic calligraphy, two words: Commercial Bank.

This is the corporate symbol of the Commercial Bank of Kuwait, famous both here and overseas for its pioneering approach to Middle East banking.

Among many significant achievements, we were the first Kuwaiti bank to establish a foreign exchange dealing room; first to establish a direct link with the Reuters money dealing system; first to introduce automated letters of credit; and first to have all our branches linked on-line to a central computer.

Now we're leading the way with such sophisticated foreign exchange instruments as forward rate agreements, interest rate swaps, currency options and interest rate options.

البنك التجاري الكويتي
Commercial Bank of Kuwait

Kuwait: P.O. Box 2901 Safa, Kuwait. Telephone 231100, 231101, 231102, 231103, 231104, 231105, 231106, 231107, 231108, 231109, 231110, 231111, 231112, 231113, 231114, 231115, 231116, 231117, 231118, 231119, 231120, 231121, 231122, 231123, 231124, 231125, 231126, 231127, 231128, 231129, 231130, 231131, 231132, 231133, 231134, 231135, 231136, 231137, 231138, 231139, 231140, 231141, 231142, 231143, 231144, 231145, 231146, 231147, 231148, 231149, 231150, 231151, 231152, 231153, 231154, 231155, 231156, 231157, 231158, 231159, 231160, 231161, 231162, 231163, 231164, 231165, 231166, 231167, 231168, 231169, 231170, 231171, 231172, 231173, 231174, 231175, 231176, 231177, 231178, 231179, 231180, 231181, 231182, 231183, 231184, 231185, 231186, 231187, 231188, 231189, 231190, 231191, 231192, 231193, 231194, 231195, 231196, 231197, 231198, 231199, 231200, 231201, 231202, 231203, 231204, 231205, 231206, 231207, 231208, 231209, 231210, 231211, 231212, 231213, 231214, 231215, 231216, 231217, 231218, 231219, 231220, 231221, 231222, 231223, 231224, 231225, 231226, 231227, 231228, 231229, 231230, 231231, 231232, 231233, 231234, 231235, 231236, 231237, 231238, 231239, 231240, 231241, 231242, 231243, 231244, 231245, 231246, 231247, 231248, 231249, 231250, 231251, 231252, 231253, 231254, 231255, 231256, 231257, 231258, 231259, 231260, 231261, 231262, 231263, 231264, 231265, 231266, 231267, 231268, 231269, 231270, 231271, 231272, 231273, 231274, 231275, 231276, 231277, 231278, 231279, 231280, 231281, 231282, 231283, 231284, 231285, 231286, 231287, 231288, 231289, 231290, 231291, 231292, 231293, 231294, 231295, 231296, 231297, 231298, 231299, 231300, 231301, 231302, 231303, 231304, 231305, 231306, 231307, 231308, 231309, 231310, 231311, 231312, 231313, 231314, 231315, 231316, 231317, 231318, 231319, 231320, 231321, 231322, 231323, 231324, 231325, 231326, 231327, 231328, 231329, 231330, 231331, 231332, 231333, 231334, 231335, 231336, 231337, 231338, 231339, 231340, 231341, 231342, 231343, 231344, 231345

JOBS COLUMN

Corporate Finance

Leading U.S. Bank

Our client is a large, well established and respected U.S. International Bank with a long and successful connection in the U.K.

The Bank has become increasingly active in corporate finance in recent years and now wishes to strengthen an established team by the recruitment of a Senior Corporate Financier who will assist in the team's development particularly in the field of Equity Issues on the London Stock Exchange.

The successful applicant will have had several years' experience in a stockbroking firm or a merchant bank, be in his/her early thirties and able to demonstrate excellent business development abilities and technical skills. The Bank will offer a very generous financial package.

Interested applicants should write, enclosing a detailed curriculum vitae, to Neal Wynne B.Sc. A.C.A., Manager - Corporate Finance Division, 39/41 Parker Street, London WC2B 5LH or telephone him on 01-404 5751, quoting ref. 6133.



Michael Page City
International Recruitment Consultants
London Brussels New York Sydney
A member of the Addison Page PLC group

Fact and fiction about personality analysis

BY MICHAEL DIXON

TODAY'S agenda opens with an ambitious attempt to present a personality analysis of all Jobs Column readers.

The attempt is based on a technique discovered during last week's Institute of Personnel Management conference in Harrogate. Several of its sessions were devoted to the assessment of personality, which is evidently seen by growing numbers of employers as critically important in selecting people for jobs especially at a high level.

The technique has a somewhat lengthy name: Collective Listing And Procedural Testing of Remotely Analysed Personality. The result of applying it to your readers is the following brief report, and I shall of course have to leave it to you individually to judge whether the assessment is reasonably accurate. It says:

"You have a great deal of ability which you have not as yet turned to your advantage, but some of your aspirations still tend to be pretty unrealistic. You pride yourself on being an independent thinker and are reluctant to accept other people's statements without some occasions you are over-extended, affable and sociable, at times you are introverted, wary and reserved."

While I have no money to stake on it, I feel confident that most readers will find the

analysis a tolerably close fit. But before giving the reason for my confidence I will outline the context from which this technique developed.

The topic was raised at an IPM conference session in which psychologist Rowan Bayne, of North East London Polytechnic, reviewed the evidence for and against the belief that it is possible for human beings accurately to assess one another's personalities.

During the discussion afterwards somebody asked about the reliability of handwriting analysis, or graphology, which it seems that employers are increasingly using as part of the selection process. Dr Bayne replied that research into the matter had generally shown that graphology did not work well. Whereupon several people disagreed, saying typically that they had had their handwriting analysed and their families and friends all agreed that the result was remarkably true.

Dr Bayne then said something which gave rise to my new technique for assessing Jobs Column readers: the Collective Listing And Procedural Testing of Remotely Analysed Personality—which boils down to CLAPTRAP!

For the psychologist explained their research has also shown that there are certain personality descriptions which pretty well all people accept as true of themselves. He called

them "Barnum" statements. Anyone wanting examples of them need only look at the assessment I printed earlier. It consists of nothing else.

Hence Dr Bayne's advice to people who are presented with true-seeming personality analyses based on their handwriting and suchlike. "By all means show and assessment to your family and friends," he said. "But don't ask whether they think it's true of you. Ask whether it's true of them. If they think so, forget it."

His own overall view on the question is that while it may well be possible to make reliable and accurate measurements of personality, it has not yet been proved to be practicable. In the meantime it is foolish to make recruitment or promotion decisions on the basis of personality tests unless their findings are supported by a trained and thoroughly experienced interviewer.

Finance chief

A GROUP financial director is wanted by recruiter Geoffrey King for the £6.5m-turnover company Mission Electronics, which employs about 100 people at its centre in Huntingdon.

Founded in the 1970s Mission has successfully established itself in the hi-fi industry by designing, manufacturing and marketing a range of speakers

and turntables as well as an advanced compact disc system. It is now expanding into the business computer field.

Having already bought a company specialising in networking products, the group is planning to set up an operation to develop and market software. It also intends to form a separate company to carry out research for the business as a whole.

The aim of course is increased sales at home and overseas—the major growth market is the United States—leading to a doubling of turnover during the next 18 months and a public listing within a couple of years or so. The newcomer to the management team, which Mr King says is of the workaholic tendency, will be responsible for the financial wellbeing for the group's operations.

Besides being able to demonstrate the intellectual powers needed to handle the strategic aspects of financial management, candidates should be technically abreast of the detailed work involved. Anyone averse to rolling up the sleeves and getting down to the gritty work of applying, there will be no more than half a dozen specialist staff in support.

While experience in the electronics field would be a help, it is not essential. But applicants must be up to working in a fast-moving, entrepreneurial business.

Starting salary indicator is up to £30,000. Other benefits negotiable.

Inquiries to Mr King at Cambridge Executive Search, 1a Rose Crescent, Cambridge CB2 3LL; telephone 0223 311316.

America

NOW for a job based on the west coast of the U.S. being offered through headhunter Christopher Beale on behalf of a company which he may not name. Consequently—as is always the case when a recruiter mentioned in this column does not disclose the employer—Mr Beale promises to abide by any applicant's request not to be identified to his client at this stage.

The person sought will be president and chief executive of a marketing and distribution company which operates worldwide. The prime need is therefore success in managing a business of international scope.

The recruit, who will be expected to lead the \$500m-turnover company to further growth and profitability, will also need ability to negotiate important acquisitions and joint ventures. Other requirements include experience of manufacturing start-ups, and skills in finance, marketing and dealing with people.

Pay and perks in the \$180,000-\$200,000 range. Inquiries to Christopher

Beale Associates, 63 Grosvenor Street, London W1X 9DA; tel 01-499 6901, telex 245320.

Banking

RECRUITER John Williams seeks a skilled currency economist and forecaster to join a London merchant bank's specialist team serving corporate clients in Europe and America as well as in Britain. Fluency in languages other than English would help. Salary £28,000 or more depending on experience, plus car and usual City banking benefits.

Inquiries to Russell Williams and Associates, 45 St Mary's Rd, London W5 5RQ; tel 01-579 1082.

Engineering

LASTLY to East Anglia where a managing director designate for a 2,000-employee engineering company is being sought by recruiter Ray Adams of Cambridge Corporate Consultants (7 Green St, Cambridge CB2 3JU; tel 0223 313791).

Candidates should be successful in managing the production of hardware including vehicles, and have experience in marketing, selling to defence departments and armed services.

Dr Adams puts the salary at about £35,000 with car and equity share among the perks.

BADENOCK & CLARK

INVESTMENT BANKING CORPORATE FINANCE

to £30,000

A leading European Investment Bank, enjoying a successful period of expansion in the Euromarkets, is seeking highly motivated, talented executives.

Ideally applicants should be graduates, aged 24-28, with experience of corporate and government agency capital raising, gained in a leading Merchant/International Bank. This position may appeal to U.S. credit-trained bankers with Marketing experience, and an appreciation of capital market products.

This is a highly geared organisation offering excellent prospects for career development in a demanding environment.

STOCKBROKING INTERNATIONAL EQUITIES

c.£20,000 + Bonus

A large firm of U.K. Stockbrokers, linked with a major international financial institution, is seeking to expand its European and U.S. equity sales capacity.

We would welcome applications from young stockbrokers with Research/sales experience in major European or American stocks.

For a confidential discussion of these positions please contact Stuart Clifford, Christopher Lawless or Jane Wilson.

Financial Recruitment Specialists
16-18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

Exciting career opportunities with an international company

The Ladbroke Group is one of Britain's top 100 and Europe's top 200 companies with an annual turnover in excess of £1 billion. It continues to expand particularly through its major core businesses—hotels, property and retail betting—all of which operate internationally.

The Group is organised on a business related divisional basis with profit responsibility strongly delegated and each division receiving specialist support from the centre. With ongoing plans for growth, both organically and through acquisition, there is now a requirement to strengthen the central senior management team. Against this background the Group wishes to make the following new appointments based in NW London.

Group Financial Controller

£35,000+Car

Reporting to the Head of Corporate Finance, the position calls for someone who is proactive, has high technical skills and can take responsibility for reporting consolidated financial data to the Board, monitoring the efficiency of the Group's financial management and controls, maintaining financial information systems, liaison with auditors and other professional bodies. Applicants, preferably in their 30's, should be qualified accountants who can demonstrate a record of achievement in a well managed company. Strong interpersonal skills are essential since there is considerable contact with senior executives throughout the Group's operating businesses.

Deputy Group Secretary

£30,000+Car

Reporting to the Group Secretary, who has a wide range of other responsibilities, the successful applicant must have high technical competence together with initiative and commercial awareness. Applicants, aged 30 to 45, should be Chartered Secretaries or similarly qualified professionals with broad based public company secretarial experience in a large and diverse group of companies with international interests. Ideally experience should encompass: dealing with Stock Exchange requirements; acquisitions; documents to shareholders; employee share schemes; personnel, pensions and office services management. Personal skills must include the ability to communicate well at all levels and to manage and motivate people.

Both positions offer participation in executive share option and pension schemes, plus an executive company car and other benefits commensurate with a major international company. The Group's continuing growth and diversification provides excellent opportunities for future career development.

Please send full CV with details of current salary and benefits package to Vic Giffin, Director of Human Resources, Ladbroke Group PLC, 87 Wimpole Street, London W1M 7DB.



COMPUTER SYSTEMS PROFESSIONALS SECURITIES/BANKING SYSTEMS

HIGH NEGOTIABLE SALARY+BENEFITS

Recognised as a market leader in the development of sophisticated computer systems for the financial community, our City based client is a successful USM listed company with branches in New York and Hong Kong.

They are an innovative, dynamic and a forward thinking company with an informed and stimulating management style. Their continued success and the drive for growth has created the need for high calibre Business Analysts.

Your responsibilities will involve you at all stages of negotiations and discussions with our clients encompassing feasibility studies, proposal preparation, systems designing to high specifications, sometimes solving problems in new application areas utilising the latest technology and techniques.

The cornerstone of our client's success is the combination of a thorough understanding of the Banking and Securities industry, with creative and efficiently designed computer systems. The successful candidate should be able therefore to demonstrate a detailed knowledge of this marketplace, built upon a solid and successful background in DP systems design to at least Project Manager or Consultant level.

With a successful track record and the relevant skills and experience, your personal qualities will be such to equip you to deal and communicate effectively at all levels.

An excellent remuneration package is offered that includes a big basic salary, benefits and a company car.

Please write with a full CV, in confidence to Hugh Macer or telephone him for an initial discussion.

CTR Computer Technology Recruitment Ltd
Trump House, 189 Regent Street, London W1R 7WD. 01-734 9723

SENIOR POSITION

for person with fluent Japanese, oral and written, to fill new position relating to liaison in and expansion of European network of Japanese companies. At least three years' previous experience in Japanese newspaper industry necessary. Successful applicant must also have some previous management experience.

Replies in confidence to:
Mr M Furusawa, Managing Director,
OVERSEAS COURIER SERVICE LIMITED,
88-104 Baylis Road, London, SE1 7AS.

HIGH-POTENTIAL YOUNG BANKERS up to £20,000

for the world's first perpetually real-time international banking system

The only thing to stand still is



For young bankers intent on extending their scope and prospects beyond the narrow confines of banking, Internet has the definitive answer.

The Internet System is the first perpetually real-time global banking system. It brings an unlimited capability to international banking—from the management of treasury and funds transfer to global risk management and accounting in the last of the competition the Internet System offers banks and their customers the flexibility to produce the right information more easily than any other system.

The biggest advance in banking systems development for over a decade, Internet is enjoying growing success in international banking circles.

It's all free once you come in. We are seeking highly-skilled young bankers to assume overall responsibility for existing and potential customers, integral to our operations. These high profile roles involve advising, supporting and issuing on a number of major accounts, progressing the system through a mutually satisfactory basis.

Regularly available, you must be able to show rapid progress to date in an international banking environment. Tech, diplomacy and initiative are pre-requisites, and systems exposure would be highly advantageous. The telephone interview is essential. Full details of training will be provided at our well-equipped European Office in London.

In return there is an excellent package. Salaries will be negotiated up to £20,000. Equity participation is offered as a valuable opportunity to share in the company's growing success. Additional benefits include non-contributory life insurance, permanent health cover and 25 days holiday.

For ambitious people, these opportunities represent an outstanding opportunity to develop careers in the European banking community.

Please telephone 01-404 4675 for an initial discussion and to arrange an appointment when interest is confirmed. Alternatively, send a full career record for an immediate response to our recruitment advisers J.M. Associates Limited, Clare House, Bridge Street, Leamington, Surrey CV22 6ET.

Brilliance in banking...time after time

INTERNET
INTERNET SYSTEMS CORPORATION

The City Search and Selection

You will have seen our advertisements on these pages. You may have used us as a client; you may have come to see us as a candidate; you might even work for a rival organisation; probably you will not have met us to date!

As a further stage in our development we intend to expand our consultancy by an additional person. We are nevertheless determined to remain a compact team, dedicated to excellence in the rapidly changing and increasingly international scene of the City. We are approaching specific people but at the same time are running this advertisement to uncover any stone that remains unturned.

The job calls for an unusual person aged specifically 34-40, who will be, or have been, working in Investment Banking, Investment, Financial Marketing or Stockbroking or possibly Financial Sector Recruitment, and ideally will also have worked in a totally different field, probably outside the City.

You will need to live in Central London and have excellent verbal and written communication powers. Experience in managing people and in interviewing is also needed, as is a sense of humour and a determination to succeed in a stressful but highly professional environment.

Initial remuneration is likely to be in line with current earnings but in the longer term you will move on to a salary and profit sharing basis.

Please write to Colin Barry, Senior Partner, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

Shepherd Little & Webster Ltd

Banking Recruitment Consultants

RELATIONSHIP MANAGER c.£16,000

This is an excellent opportunity for a credit analyst to move into marketing. A British Merchant Bank has an opening for two people to become marketing officers. Responsibilities will include promoting the bank's services to existing corporate clients. Applicants should have first class analytical skills and ideally have some marketing exposure. Future prospects are assured for developing a career in marketing.

Please contact Brenda Shepherd

ACCOUNTS £16,000

A specialist position with an American bank in the City, to take control of their accounting function and handle their tax problems. Ideally suited to a qualified accountant seeking an entry into banking or an accounts officer with similar experience in another international bank.

Please contact David Little

BOND ADMINISTRATION — OPERATORS SUPERVISOR c.£15,000

Developing U.S. Investment Bank has created a new position as an operations co-ordinator to be entirely responsible for all trade input generated by the bond and money market dealers. The firm are keen to recruit someone from within the securities industry who can manage a small team and who has the potential for future development.

Please contact David Little

TRAINEE EUROBOND TRADERS

Recent graduates in their early/mid 20's either a degree in Mathematics, Science or Economics are offered an outstanding opportunity to be trained in Eurobond trading. Applicants must be bright, highly numerate and able to cope with the pressures of a trading environment. Candidates without these qualifications will not be considered.

Please contact David Shepherd

Ridgway House 41/42 King William Street London EC4R 9EN
Telephone 01-626 1161

STOCKBROKING

Senior Private Client Executive

Panmure Gordon & Company wishes to appoint an Executive to complement an existing team in a rapidly expanding department dealing with the affairs of substantial Private Clients. This is a senior position commanding the attention of only those with several years experience in a similar capacity.

Please reply to:

G. F. Hallwood, Personnel Manager,
PANMURE GORDON & CO.
9 Moorfields Highwalk, London, EC2Y 9DS

International Banker

Middle East

from US \$100,000

Our client is one of the largest banks in the Middle East with a strong domestic network and a substantial and growing presence internationally.

You will be responsible to an Assistant General Manager for planning and controlling the international operations of the bank and will play a key role in the next phase of the bank's development.

Probably aged over 40 you will already be at a senior level in banking and ideally will have had experience of working overseas as well as in your home country. Maturity, tact and flexibility are essential attributes. Remuneration is for discussion and should not be a limiting factor.

Please write in confidence to John Cameron, quoting ref. CF434, at 11 Gough Square, London EC4A 3DE (telephone 01-583 3911).

Chetwynd
Streets

Management Selection Limited

DIVISIONAL MANAGING DIRECTOR

Manufacturing professional

around £40,000

Our client - a British plc based in the North West - is an industrial holding company with an exceptional growth record and a taste for acquisition.

The initial role will be to realise the full potential of a division comprising several diverse manufacturing businesses. Success will quickly earn wider responsibilities and further career progress in a group with ambitious plans and demanding standards.

The requirement is for a manufacturing

and technical career background leading to outstanding general management success as an MD in manufacturing industry. Age probably around 40. Total commitment is essential; profit generation is the yardstick.

The remuneration and benefits package fully matches the importance of the appointment and includes a Jaguar car.

Please write - in confidence - to D.A. Ravenscroft.

Ravenscroft & Partners

Search and Selection
20 Albert Square, Manchester M2 5PE

AEGON
Insurance Group

SENIOR UNDERWRITING DIRECTOR

AEGON Insurance Company (U.K.) Limited seeks a Senior Underwriting Director to head up the Company's City based Non-Marine Underwriting team and to be responsible for the control and development of the Company's future underwriting policy. Technical underwriting skills and proven managerial ability with U.K. composite or London based independent companies are essential.

Preferred age 45-55 years.

Substantial remuneration package to reflect the importance attached to the position.

Reply in strict confidence to:

P. Nicholson Smith, Chairman,
AEGON Insurance Company (U.K.) Limited,
136 Fenchurch Street,
London EC3M 6BL

Financial Adviser to International Entrepreneur

London-based

£25-30,000, etc.

Our client is an international entrepreneur with very substantial personal and corporate assets in the UK, Western Europe and the USA. He seeks, as his Personal Financial Adviser and Finance Director of his various companies, a qualified accountant aged 30-45.

You should be familiar with the disciplines and techniques of corporate management and have an interest in and knowledge of international currency and security investments, property and taxation. A shipping background and a second European language after English would be an advantage, as would the ability to travel as necessary.

The main personal qualities sought are maturity, a willingness to work as the particular circumstances require, a sense of responsibility and efficiency and a degree of self-reliance.

The terms offered include a basic salary of up to £30,000, fully expensed car etc. and are subject to negotiation to meet individual needs and circumstances.

Please send a detailed C.V., including contact telephone numbers, in strict confidence to Peter Wilson FCA at Management Appointments Limited (Search and Selection Consultants), Finland House, 56 Haymarket, London SW1Y 4RN Tel: (01) 930 6314.

MAL
Management Appointments
Limited

"SCOPE" "CHALLENGE" "ACHIEVEMENT"

Some Management Consultancy language for
industrial marketing professionals.

Are you involved in industrial marketing, particularly in the areas of market forecasting, market share consideration and competitive analysis? Then it may be a revelation to learn that management consultancy with Touche Ross will expose you creatively to a depth and breadth of work that can take your career further and faster than you would have imagined credible.

At Touche Ross we mean business. Our practice is growing rapidly and our services are enjoying increasing demand from small businesses, to multi-national corporations, to government departments.

We provide a range of consult-

ancy services and as a Marketing Consultant you will apply your skills to assignment areas such as new product development and launch. To be successful, you will need a good first degree, (MBA an advantage), an incisive, analytical mind and the type of experience that will enable you to translate complex problems into authoritative solutions.

The rewards are excellent. Apart from your work achievement the openness of our structure and the speed with which we reward merit could find you as one of our partners in 3 to 4 years.

Consider management consultancy today and the likelihood is

that tomorrow will bring three new ingredients to your career: Scope, Challenge, Achievement. Please write with full CV and perhaps tell us why you feel you're worth up to £30,000 plus a car, to: Michael Hurton, (Reference 2328), Touche Ross & Co., Management Consultants, Hill House, 1 Little New Street, London EC4A 3TR, Telephone 01-353 8011.

Touche Ross
Management Consultants

Currency Investment Manager

Major US Bank

Our client is a prime New York bank with a considerable international presence. They currently seek someone with extensive treasury experience to develop and manage a currency investment function in London.

Initially you will be required to establish relationships with corporate clients and will advise them on appropriate strategies for handling their portfolios, in the light of actual market movements and your own future projections. You will also be expected to advise on the bank's medium term role in foreign exchange markets, including foreign currency capital exposure and work in close liaison with their spot and forward dealers.

It is essential that candidates have broad experience in FX. This should include trading major currencies in a respected, high pressure dealing environment as well as a proven record of developing significant client relationships and profitable management of investment portfolios.

Applicants with the requisite experience and the ability to work in this demanding environment should write to Christopher Smith, enclosing a comprehensive curriculum vitae, at 39/41 Parker Street, London WC2B 5LH, quoting ref: 3565, and stating any bank to which they do not want their details to be sent.

TP

Michael Page City

International Recruitment Consultants - London Brussels New York Sydney
A member of the Addison Page PLC group

Financial Director Designate

Central London

££22,000 + executive benefits

Our client, part of an international UK based information systems group, is involved in the design and provision of specialist software products for Electronic Publishing and now requires a Senior Financial Manager who will play a vital role in the overall development and management of the business.

The company has expanded rapidly and needs to enhance the already tried financial team with the emphasis on improving management information and control.

Future financial planning and strategy is key to the new role.

Candidates for this appointment will be qualified accountants aged in their 30's, with a business orientation, who can clearly demonstrate a successful career to date in financial/business management preferably within a service industry environment.

Interested applicants should write, enclosing a full CV and quoting reference number: 11/46 to:

AGB Recruitment

173 Sloane Street, London SW1X 9QG
Telephone: 01-235 9891

A member of the AGB Group of companies



بنك الرياض
RIYAD BANK
Head Office - Jeddah

Treasury - Dealers Circa USD. 60,000/-

Riyad Bank, a leading Saudi Arabian bank, seeks to fill the following positions at its head office in Jeddah.

You will have a minimum of three years' experience in foreign exchange and deposits gained with an active dealing bank and be familiar with new market products.

Domestic - Corporate marketing Officers - Circa USD. 50,000/-

We are establishing corporate banking units in the main commercial centres of the kingdom. Your responsibility would be to solicit, develop and sustain customer relationships in the assigned regions of Saudi Arabia. You should have experience in the delivery of wholesale financial services.

A fully competitive package will be offered to the successful candidates. Bankers with suitable qualifications, motivation, adaptability and experience are invited to submit their applications in strict confidence to: the Chief Manager, Riyadh Bank, London Branch, Licensed Deposit Taker, Temple Court, 11 Queen Victoria Street, London EC4N 4XP.

Opportunities in Development Capital Edinburgh

Charterhouse provides merchant banking and development capital facilities. Due to its continuing growth in Scotland and the North of England, it requires to recruit TWO YOUNG EXECUTIVES. Suitable candidates are likely to be qualified accountants or commercial lawyers aged between 25 and 35. However, candidates from other disciplines with commercial experience will be considered. First class interpersonal skills and an excellent knowledge of commercial law and taxation are essential, and two to three years' relevant experience in industry, investigation work or merchant banking would be a significant advantage.

These are excellent opportunities to join an expanding and successful team in Edinburgh. Competitive salaries are offered and attractive banking benefits include non-contributory pension, BUPA and mortgage assistance.

Please write with full personal and career details to George Shiels, Director, Charterhouse Development Ltd, 26 St. Andrew Square, Edinburgh EH2 1AF.

CHARTERHOUSE
A Member of The Royal Bank of Scotland Group plc

FINANCIAL ADVISER

Promoting a range of personal financial services is not something to be taken lightly. The Hill Samuel name is well-known and respected in financial circles. To ensure that the successful candidates are able to live up to that name when advising clients on how best to manage their money, we provide thorough training and strong back-up at all times, both at the local and head office level.

As a Hill Samuel adviser you will have ample scope to develop a successful career, and earn a very substantial income. If you are aged between 30-50, with the dedication needed to achieve success, talk to Hill Samuel.

Contact Mr. M. Crowe
HILL SAMUEL INVESTMENT SERVICES
50 Pall Mall, London SW1Y 5JQ Tel: 01-838 1012

FOREX APPOINTMENTS

For Forex, Capital Markets and Treasury appointments consult a specialist agency
TERENCE STEPHENSON
Prince Rupert House
5-10 College Hill, London EC4R 1AS
Tel: 01-248 0283

SALES PROFESSIONALS

A limited number of high income, exclusive area opportunities exist for mature, highly motivated non-technical, well organized sales professionals to further expand our rapidly growing base of industrial clients. Earning of £20,000+ recognize our service as the best available. Successful candidates will have the marketing know-how and the drive and motivation to succeed.

Telephone: THE SALES DIRECTOR, FINANCE FOR BUSINESS, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

Operations Director Designate Factoring and Related Services

to £30,000 + low cost mortgage + car

A subsidiary of a major international banking group, our client specialises in the provision of a confidential receivables financing and factoring service to developing businesses. Well established and profitable, the company has achieved impressive growth at the top end of this highly competitive market and is forecasting continuing expansion. Reporting to the Managing Director and supervising 15 staff, the Operations Director Designate will be responsible for the management of existing business: client liaison, loan administration and credit/collection departments.

As a senior member of the company's executive he or she will be closely involved in the development of corporate strategy and company policy and be expected to make a major contribution to their achievement.

Aged 30-40, applicants must have senior management and supervisory experience, preferably gained within the factoring industry.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/329/MF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

GENERAL MANAGER

North West

Salary up to £29,000 + Car

Girobank plc is seeking to appoint a General Manager to control and further develop its corporate and personal banking business in the North West Region from a well-established and profitable base. The Bank's North West Regional Office was established in 1981 and now has almost 250,000 active accounts and employs 200 staff. Reporting to the Director Customer Services the General Manager is responsible for providing leadership and direction to Corporate Services, Personal Account Services, Credit Management and Public Relations functions to achieve the highest standards of service and performance and profitable development of the Bank's Regional activities.

Candidates for this position will be able to demonstrate strong skills and experience in senior Financial or Sales/Marketing management within a commercial, preferably financial services, environment. Proven leadership qualities are essential, together with the standing and presence to meet and influence businessmen from the top levels of the commercial, social and economic spheres of the Region, and the determination to forge out new growth and business opportunities for the Bank.

Commencing salary is negotiable up to £29,000; further performance related salary progression is possible. Other main benefits in addition to Bank car, are 51 weeks holiday and contributory index-linked pension scheme. Assistance with relocation to within reasonable daily commuting distance of the Liverpool base, will be provided where necessary.

Girobank is an established UK Clearing Bank with a substantial growth record in both corporate and personal banking markets and further growth and diversification is planned.

Please reply in writing outlining career, salary progression and how your skills and experience match the requirements of the job to: Peter J Farrer, Head of Management Development, Girobank plc, Bridge Road, BOOTLE, Merseyside, G1R 0AA.

NATIONAL Girobank

Head of Internal Audit

over £25,000 + car

Our client, a well-established and reputable bank, has created this new position of Head of Internal Audit.

This challenging and interesting job will carry responsibility for the direction, development and maintenance of an effective and efficient inspection and internal audit function throughout the organisation.

The person we are seeking is likely to be in his or her mid-30s to mid-40s and a qualified Chartered Accountant. Relevant audit experience, preferably gained in a large

commercial or financial organisation and desirably with computer systems, is required. Enthusiasm, an analytical mind, plus an ability to deal with staff at all levels are essential qualities.

If you are interested in this senior post which carries a very attractive reward package and opportunities to move to other parts of this major banking group, please telephone or write for an application form, in confidence, quoting Ref: 302/LA.

PA

PA Personnel Services

Executive Search-Selection-Psychometrics-Remuneration & Personnel Consultancy

Ulster Bank House, Shaftesbury Square, Belfast BT2 7DL. Telephone: 0232 221467

HongkongBank Limited Capital Markets

HongkongBank Limited, which is the European Merchant Banking arm of the HongkongBank Group, is continuing the expansion of its Capital Markets Division and is now looking for Executives to assist senior management in the field of product development and marketing. The Division's activities include primary and secondary market activity in straight bonds and FRNs, private placements, euro notes and CDs, as well as swaps, options, RUFs and other syndicated loan products.

The ideal candidates will be ambitious and probably in their mid-twenties with a degree or other suitable qualification. They will have worked in a relevant financial institution for at least 2 years and gained familiarity with credit risk assessment, the structure of major international financings and documentation. Opportunities for promotion are extensive and are not confined to the UK. Salary is negotiable.

Applications, which will be treated in strict confidence, together with C.V. should be sent to C. E. Fiddian-Green, Wardley House, 7 Devonshire Square, London EC2M 4HN.

APPOINTMENTS

ADVERTISING
Appears every
THURSDAY
Rate £37.00
per single column
centimetre plus VAT.

BULLION DEALER

As a major international trading organisation we are seeking to recruit a bullion dealer with previous experience to join an existing successful and expanding unit. Attractive salary and other benefits.

Please reply with c.v. details to Box A917L
Financial Times, 10 Cannon Street, London EC4P 4BY

BRANCH MANAGER

We are the UK subsidiary of a substantial foreign bank, having recently opened a branch in the Leeds area.

Due to internal moves, we are looking to employ a new manager to continue the development of this retail and commercial banking venture.

The successful candidate should be a truly professional banker who has the ability to continue the development of this office.

Please write with full CV to:—
Box A9164, Financial Times, 10 Cannon Street, London, EC4P 4BY.

RICHARDSON CHUBB & Co. (MEMBERS OF THE STOCK EXCHANGE)

With to appoint an
OFFICE MANAGER
The person selected need not hold such a position at present but must have relevant experience and be willing to become involved in all aspects of administration.
We would also be particularly interested to hear from
PRIVATE CLIENT EXECUTIVES
keen to further themselves in a busy environment outside London, and we may be able to offer a choice of locations to the right individuals.

Contact David Hannibal at
5 High West Street, Dorchester, Dorset DT1 1UJ
Telephone: 0305 65252.

Jonathan Wren

INVESTMENT MANAGER

to £50,000

We have been retained by a high profile Fund Management Group to recruit a dynamic, young Investment Executive. Applicants will be required to demonstrate above average ability in the management of Private Client Portfolios and/or unlisted funds in Smaller Company stocks. This demanding position will afford the successful candidate a rare opportunity to establish an individual reputation in the City. The remuneration package will include performance bonus, mortgage subsidy and company car.

Contact Roger Steare or Bryan Sales.

INT'L. ASSET FINANCE

£40,000

Excellent Benefit Package

On behalf of a leading Merchant Bank, we seek a highly professional Graduate Banker, (M.B.A., A.C.A., or L.L.B. preferred), aged 32-36 years, whose extensive involvement in cross border leasing activities at senior level has resulted from first class negotiating, pricing and structuring skills. The ability to identify International business opportunities and the technical creativity to formulate individual financial packages of a highly complex nature will identify the successful candidate. The salary indicated is designed to attract exceptional International expertise, and will not prove a limiting factor.

Contact Jill Backhouse or Brian Gooch.

OPERATIONS MANAGER — London

c.£30,000

On behalf of two US Banks we seek applications from candidates aged 32-38 years who can clearly demonstrate a successful career to date in the operational procedures covering Forex, Lending, Systems, and hopefully, Capital Markets. Good management skills are a pre-requisite, and experience gained in a US Bank is preferred. Although normally London based, some European travel is envisaged, hence fluency in a second European language would be advantageous.

Contact Norma Given or Brian Gooch.

LEASING EXECUTIVES

to £20,000

A major Leasing Company currently seeks to appoint additional Leasing Executives at present employed in Leasing subsidiaries of Banks or Leasing Companies. Applications are therefore sought from candidates with a proven track record, aged 25-30 years, who possess a relevant Degree or professional qualification (M.B.A., L.L.B. or A.C.A.), together with a minimum of two years marketing, technical, and administrative experience of Big Ticket Leasing transactions.

Contact Jill Backhouse or Brian Gooch.

BOND OPERATIONS

As an integral part of their development and expansion programme, our Client, a Major Bond Issuing House, seeks to make two important appointments:

HEAD OF SECURITIES

c.£60,000 +

A key appointment to be made at senior level. The appointee will head a large department and be responsible for all aspects of Bond Settlement Systems, procedures and manpower resourcing, encompassing New Issues, Primary and Secondary Market Settlement activities. Candidates should be familiar with computerised system development and enhancement, and demonstrate excellent people management and communication skills.

Contact Bryan Sales or Roger Steare.

SETTLEMENTS MANAGER

c.£25,000 +

The person appointed will manage a substantial Secondary Settlement area. Candidates should have extensive experience covering all aspects of Bond Settlements (including Primary and New Issues) using computerised procedures, together with the ability to recognise and specify enhancement requirements. Management and development of clerical staff is important, as are good written and oral communication skills.

Contact Bryan Sales or Roger Steare.

All applications will be treated in strict confidence

SYDNEY

Jonathan Wren

HONG KONG

Recruitment Consultants

170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

COMMERCIAL BANKER Manchester Board Potential

The Financial Services Division of Burns-Anderson PLC requires an experienced banker, AIB qualified, to augment the management team of its expanding LDT, Burns-Anderson Trust Co. Ltd.

Having a detailed knowledge of banking practice you will be responsible for all aspects of banking administration. Capable of creating business you will also ensure that business with existing clients is maximised.

The post offers an excellent career opportunity, including a directorship of the LDT in due course. The negotiable salary reflects the post's seniority, and attractive fringe benefits comprise non-contributory pension, life assurance, BUPA, car and future share options.

Male or female candidates send CV's to Dorian Marks, Durston & Marks Search and Selection Ltd, No 1 Central Street, Manchester M2 5WR. Tel: 061-832 2266 (24 hours) Ref 2234/FT

DURSTON MARKS
SEARCH AND SELECTION LIMITED

ASSISTANT PLANNING MANAGER

Circa £16,000 pa

South London

Our client - an international engineering company - is looking for a management accountant to work with a small team in their business planning function. The successful candidate will be responsible for the preparation, co-ordination and monitoring of plans for nine separate operating divisions covering both service and construction activities. In addition, you will be involved in a large development project to expand the management information database.

This is a pro-active management accounting role involving a high level of contact with directors.

and senior line management and therefore demands a strong-willed, competent self-starter, preferably with experience in an engineering or construction environment.

If you're in your mid-to-late twenties, have a minimum of 2/3 years post ACMA/ACCA experience in the production of monthly management reports plus practical experience of micro-computers, ideally IBM with Lotus 123 Software, and feel you can meet this challenge we would like to meet you.

In the first instance please contact our recruitment consultant, Ron Fear, on 01-491 7407 (day) or (0376) 62159 (evenings and weekends). Probe Management, 33 St. George's Street, London W1R 9FA.

Probe Management

GILT EDGED MARKET AGENCY BROKING

We are backed by two major continental banks but retain considerable independence within our new corporate structure

We have a well-established position in the gilt-edged market, supported by highly developed research products.

WE ARE NOT GOING TO BE GILT-EDGED MARKET MAKERS

We believe that the role of the agency broker, a total commitment to the interests of the client, will remain of value to institutional investors in dual capacity markets.

In order to service the fullest possible range of clients, both before and after the 'big bang', we now seek experienced salespeople who share our belief in agency broking.

W de Broe

Associated with
Banque Bruxelles Lambert
Banque Louis Dreyfus

Write or Phone in confidence to
David Ackroyd or Adrian Parfitt
Williams de Broe Hill Chaplin & Co Ltd
P.O. Box 515, Pinners Hall,
Austin Friars, London EC2P 2HS.
Telephone: 01-588 7511

Finance Director

c.£30,000 Package + Car Thames Valley

As one of the most aggressive and successful management services companies in the present day UK market, my client has already built a £50m turnover business employing over 3,000 people. Developing from a base in food service, the UK company now operates 5 diverse business divisions - each presenting its own special challenges.

In addition to heading the central accounting, treasury and taxation functions you will use your well developed commercial flair to play a full role in the financial planning, development and control of the business.

Aged in your 30's you will already be established at senior level with several years experience in a multi-site, multi-business organisation under your belt. Probably a graduate chartered accountant, or equivalent, you will be well versed in computer based financial systems and be able to demonstrate the communications skills needed to influence all levels of management.

An excellent benefits package accompanies this position and includes bonus, pension, life assurance and private medical cover. Assistance with relocation is available where appropriate.

In the first instance, send a CV, listing separately any companies to whom we should not send your details, to the Confidential Reply Supervisor (Ref KN77), Macmillan Davies & Howard, The Old Vaults, Parliament Square, Hertford, Herts, SG14 1PL.

Macmillan Davies & Howard
THE ADVERTISING AGENCY



Fixed Interest Market Analyst

J. Henry Schroder Wagg & Co. Limited, one of the leading U.K. merchant banks, is looking for a Fixed Interest Market Analyst to develop bond research in its expanding Credit and Capital Markets Division. The successful candidate will be involved in conducting analysis and commentary on the principal Euro and domestic fixed interest markets, with special emphasis on sterling, ECUs, European and Far Eastern currencies and will provide information and advice to borrowers and investors in these markets and will give support to the Sales and Origination Teams. Close liaison with the Bank's Economics Department will also be involved.

Applicants are likely to have the following characteristics:

- Mid 20's
- Experienced in investment/security analysis
- Numerate and literate
- Market oriented with a special interest in currencies and interest rates.

A fully competitive salary is offered together with an attractive range of benefits including mortgage subsidy and a generous non-contributory pension scheme. Career prospects within the Schroder Group are excellent.

Applications in writing, with full curriculum vitae, should be sent to: Mr. John R. Lambert, Head of Staff and Administration, J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS.

Schroders

Credit Officer

required by leading German Bank to become involved in all aspects of Credit and Documentation function in an expanding department. 2/3 years experience of Loan Administration & Credit Analysis with working knowledge of German language required. Salary neg. in range £12,000/£14,000 p.a., AAE, mortgage subsidy, non-contributory pension, BUPA & LV's.

Applications with C.V. to: Miss L. Claydon, Personnel Officer,
DG BANK—Deutsche Genossenschaftsbank,
6 Milk Street, London EC2V 8DY.

QUANTITATIVE INVESTMENT ANALYST BARING INTERNATIONAL INVESTMENT MANAGEMENT

formerly known as Henderson Baring Management. It is an independently-managed subsidiary of Baring Brothers, specialises in Far Eastern equity management for worldwide institutional clients and non-U.S. equity management for U.S. and Canadian clients. Funds under management total \$1.6 billion.

We are seeking to employ someone in their early 20s to work in our London office and develop our quantitative investment techniques. The position is likely to appeal to a graduate with a mathematical background who has worked for an investment management or stockbroking firm for a few years. He or she may be frustrated by the lack of scope to put into practice their mathematical training.

A competitive package is offered to the right person. Please write with full curriculum vitae to:

Baring International Investment Management (UK) Limited
9 Bishopsgate, London EC2N 3AQ

Investment Analysts

The City
to £22,000

An institution managing assets currently approaching £1 billion is establishing and developing a research capability under a newly-appointed Head of Research.

Analysts are now needed to take charge of various UK sectors and overseas markets. These new appointments will appeal to numerate graduates with drive and ambition... and around two years' experience of fundamental analysis within a large financial institution.

Success here could lead to either more direct involvement in portfolio management or a rewarding long-term future in international research.

Salaries will be negotiated up to £22,000, depending upon age and experience, and supported by a range of appropriate benefits.

Please send full cv, including current salary details, which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent.) Ref: E2065/FT

PA

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

BRANCH MANAGERS

£50,000+

UNIQUE PERKS

Target Financial Consultants is the direct sales division of the rapidly expanding Target Group PLC. Our growth over the last few years has been little short of spectacular.

We already have successful branches in most of the major cities but would like to invest in new enterprises to complete our ambitious growth plans.

We are particularly keen to meet entrepreneurs in the North West, Yorkshire and London.

If you have a successful proven track record in the financial services sector and would like a fresh challenge offering substantial capital gain as well as an attractive remuneration package commensurate with ability and performance then why not contact our Development Director Stanley Jackson FPMIL on 01-631 3194 or write to him at:-

TARGET
TARGET FINANCIAL
CONSULTANTS

No. 1 BEDFORD SQUARE, LONDON W1C

STRICTLY CONFIDENTIALITY IS ASSURED.

Treasurer

Oil Trading

c£27,000

The UK subsidiary of a US Oil Group is seeking a Treasurer. The London based operation acts as a representative office and trades in oil products in international markets.

Reporting initially to the present Treasurer, the successful candidate should succeed him within 3-6 months and will be responsible for treasury activities in the Eastern hemisphere, encompassing all aspects of cash, funding and exposure management. In addition to strong technical expertise, he or she must have the confidence and personal credibility to maintain and develop positive relationships with the company's bankers, suppliers and customers.

A recognised qualification in accountancy, economics, finance or

business administration is preferred together with a minimum of 3 years treasury experience gained in a trading environment.

The remuneration package, which is negotiable, will be increased on confirmation of appointment to Treasurer.

Please reply in confidence, enclosing career details and quoting reference 5797/L to the company's advisor, Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

**PEAT
MARWICK**

International Banking

We have been retained by a major international bank to recruit the following:

**Documentary Credits
Manager c£20,000**

Managing a compact high powered team, you will be responsible for preparing statistical records; balance reports; providing management with daily up dates; planning and implementing organisational changes; administering credits and loans; and liaising with other departments within the bank.

Though formal bank qualifications would be advantageous, a minimum of 15 years' previous banking experience is essential.

The successful applicant will be expected to remain aware of external developments likely to affect both Documentary Credits and Syndicated Loans.

**CPU Manager
to £20,000**

A sound knowledge of central processing units, preferably with experience of NCR hardware, is required for this critical appointment with the bank.

Please apply in writing with full CV or telephone George Shaw on 01-435 0322 for an application form and full job description.

JOSLIN SHAW

Joslin Shaw Limited, 80a Court House, 11 Mansfield Street, London EC2M 3AT

CONFIDENTIAL ADVERTISING

GILT EDGED ANALYST

Salary negotiable

PosTel Investment Management Limited are investment managers for the British Telecom and the Post Office Superannuation Schemes with investments totalling some £10 billion.

An additional member is now required to join the small but expanding gilt-edged and fixed-interest team.

The successful candidate would undertake the analysis of gilt-edged and index-linked markets, deal in such securities and monitor the performance of the Funds managed. Applicants should be graduates with a high level of numeracy. Familiarity with the techniques of gilt market analysis and a minimum of two years' relevant experience is essential.

Please write with full career details stating salary required to:

Sheena Gibson, Personnel Manager, PosTel Investment Management Limited
Equitable House, 48 King William Street, London EC4R 9DD

PosTel

Investment Management Ltd

Account Executives



Thomson McKinnon Securities Inc., a major U.S. investment firm is expanding its London office, and is looking for outstanding Account Executives in securities and commodities or those with exceptional potential.

Do you have:

- At least 2 years brokerage experience
- A proven record of success
- A high energy level

As the largest privately-held firm in the financial services industry, we offer:

- A superior compensation package
- Profit Participation
- A dynamic environment backed by the full support of our 100 years of investment experience
- The flexibility to allow you to reach your full potential

If you meet these criteria, please contact, in confidence:

Ricardo Dorich
Thomson McKinnon International
Greenly House
40 Duke's Place
London EC3A 5HJ Tel: 626-1511

GIRTON COLLEGE CAMBRIDGE

VISITING INDUSTRIAL FELLOW-COMMONERSHIP

Girton College, Cambridge, invite applications for a Mary Amelia Cummins Harvey Visiting Industrial Fellow-Commonership to be held during the Michaelmas Term 1986. The object of the Commonership as far as the College is concerned is to provide an opportunity for the undergraduate and graduates of the College to learn more about the possibilities of working in industry and the requirements of employers; for industry to form closer links with academics in their own areas of interest and to undertake a project of their choice within the academic environment. Ideally the Commonership is for a company middle-manager whose age would be in the 30s.

The emoluments for the Fellow-Commoner will be determined by the College and be within the range of £1,000 for the term together with free residence and free board. The person appointed would be invited to visit College during the previous term for a day (or more if necessary) to meet people in relevant areas of interest so that the project to be undertaken could be prepared in advance.

Applications, containing a curriculum vitae, should be sent to the Secretary to the Council, Girton College, Cambridge, CB3 0JG, to reach her not later than 2 December 1985. Interviews will be held on either Tuesday, 17 December or Wednesday, 18 December 1985.

ACCOUNT EXECUTIVES

sought by

Afor Investments Limited

Licensed Dealers in Securities

(A subsidiary of Munro Corporate P.L.C.)

We are now poised for our next expansion phase and require additional Account Executives to service our growing private and institutional clientele.

Applications are invited from existing representative licence holders and from those seeking to establish a new career in the securities industry. Full on-the-job training will be provided at our modern Central London offices.

Minimum remuneration package £17,500 p.a. +
Telephone Julia Bishop for an application form
and a appointment on 01-387 5393

INTERNATIONAL BANKING

CORPORATE MARKETING £15,000-£25,000

A number of opportunities currently exist for top-quality lending/marketing bankers, principally in the broad U.K. corporate sector but also in the more specialist spheres of Capital Markets Syndications, Financial Institutions.

Each demands a strong academic background and successful relevant experience (at a level appropriate to an age range 25/35). In return they extend ample challenge to those with clear growth potential.

CREDIT ANALYSIS £12,000-£24,000

We currently seek, on behalf of several merchant and international banks, credit analysts with a good degree together with well-developed "technical" skills and experience. Fluency in French would, in one or two cases be a decided advantage.

Some appointments embrace either immediate or projected marketing involvement whereas others will be of appeal to those whose interests and aptitudes lie in credit management.

QUALIFIED ACCOUNTANTS £12,000-£18,000

Financial Control, Audit, Credit, Corporate Finance: these are areas in which possibilities occur for young accountants with sound, even if very brief, post-qualification experience.

Please telephone John Chiverton or Ann Costello

**JOHN
CHIVERTON
ASSOCIATES LTD.**

86, CANNON STREET
LONDON E.C.4
01-423 3861

EXECUTIVE JOB SEARCH

Are you earning over £20K and seeking a new job?

The Connaught Services have helped more executives to find new appointments than any other organisation - mainly in the unadvertised vacancy area.

Contact us for a free confidential meeting. If you are currently abroad, enquire about our EXPAT EXECUTIVE SERVICE.

32 Savile Row London, W1 **Connaught** 01-734 3879 (24 hours)

The Executive Job Search Professionals

Graduates for Trading Area MAJOR INVESTMENT BANK

Trading with the world's premier investment institutions on thin margins, hoping to buy low and sell high requires numeracy, good judgment and a steady nerve. On behalf of our client, we are seeking candidates aged 21-26 to join an aggressive, successful and highly-competitive team. First class training will be given as a Trading Assistant, providing support to the traders and salespeople. There are excellent career prospects and an attractive salary and benefits package. Contact Jane Corbitt on 01-825 4836.

CAPITAL FUTURES
(Recruitment Consultants)

18 Eldon Street, Moorgate, London EC2M 7LA

Accountancy Appointments

ACCOUNTANCY

APPOINTMENTS

appear every

THURSDAY

Rate £37.00

Per Single

Column centimetre

Plus VAT

Assistant Audit Manager

-Lloyd's Experience

This appointment provides an outstanding career opportunity for a person with flair and experience of the Lloyd's market.

Following our recent approval by the Council of Lloyd's as syndicate auditors, a unique opportunity has arisen for a talented and technically competent accountant to play a key role in the expansion of our insurance practice.

Aged 25-30, he/she will assist in the development of our specialist Lloyd's capability as well as the promotion and marketing of these services.

Applicants should be qualified chartered accountants with at least 2 years' experience in the auditing of Lloyd's syndicates and agents.

An attractive salary will be offered together with benefits commensurate with a major national firm, including contributory pension scheme, life assurance and PPP.

Suitably qualified candidates should write with a full CV to Miss Jo Cook, at the address below, or telephone for an application form.

Binder Hamlyn
CHARTERED ACCOUNTANTS
Binder Hamlyn Chartered Accountants
8 St Bride Street, London EC4A 4DA
Telephone 01-353 3020

Recently Qualified

North, South and West London to £16,500

A major division of a highly regarded plc with wide industrial and commercial interests is seeking three recently qualified chartered accountants to strengthen its finance function.

These appointments offer excellent opportunities either to gain immediate line experience in the manufacturing and marketing environment of an operating unit, or, to work closely with a senior financial controller at head office, with possible secondments to subsidiaries.

If you are looking for a first move from the profession and are keen to gain real involvement at the 'sharp end', then these positions will be of interest to you.

One of the roles may suit a candidate who has already gained two or three years industrial experience. This would be reflected in the salary package, which is negotiable.

Please write in confidence enclosing career details and quoting reference 2801 to Anne Romledge, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Partnership Secretary

London solicitors c.£27,500

This central London firm has a wide range of corporate and private clients, and the level of services provided is very dependent on the efficiency of its internal administration. Key dimensions of this new post are to review and refine the financial planning and management information systems of the practice; and to develop further relevant information technology within the firm. The Partnership Secretary will control a dozen staff involved in administrative activities and must be able to work effectively at partnership level in this

90 employee office. Candidates will preferably be qualified accountants, in the 40s - early 50s age range, who must bring a broad-based background of administration in a well-managed commercial organisation. Base salary negotiable with other benefits flexible to suit individual circumstances.

PA

Please send career details, indicating current salary, in confidence, to Michael Egan, Ref: FF26/9570/ET.

PA Personnel Services

Executive Search, Selection, Psychometrics, Remuneration & Personnel Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Group Financial Controller

S.E. Berks

c £18,000 + Car

Our client is a major supplier in its sector of the food industry and numbers most of the well known High Street names amongst its customers. The group is investing heavily in new products and is well on course to shortly break through the £100m turnover mark.

But trading conditions are tough and call for skilled financial management. They therefore wish to appoint a high calibre Financial Controller to play a key role in the development of this listed group.

The responsibilities will be wide ranging and include in-depth involvement in such matters as corporate planning and budgetary control, acquisition and capital investment appraisals, cash management, the preparation of management and statutory accounts and systems development.

Applicants will be Qualified Accountants, aged 27-45, with several years experience in industry. High technical skill, sound commercial awareness and a sharp analytical mind are all important requirements.

Salary will be negotiable c £18,000 and there will be an attractive package of benefits including a car.

Please send concise details, including current salary and daytime telephone number, quoting reference C2026, to W. S. Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

CONTROLLER

This long established and widely respected UK Plc seeks an accomplished young accountant to take full control of finance for its major operating unit. This is a commercially exposed position calling for drive, initiative and commitment to excellence. Suitable candidates will be qualified accountants with at least 2 years POE gained in a service industry. The potential to progress to senior levels is essential. Ref: PAB.

CITY
£20,000+Car

FINANCIAL SERVICES

A leading company in the financial services sector requires a Financial Controller to take responsibility for the running of its H.Q. Accounts department. Key responsibilities will include the review and implementation of financial controls and assisting in the computerisation of the Group's accounting systems. Candidates must be qualified accountants with strong communication skills and an ability to make rapid career progress in this expanding company. Ref: SW.

CENTRAL LONDON
c.£20,000+Car

MARKETING

This new FMCG subsidiary of a major international group requires a Marketing Accountant for its UK sales and distribution operations. Effectively the UK No. 1, setting up systems and comprehensive financial controls for anticipated rapid expansion, you will be working to tight deadlines in a lean H.Q. environment. Prospects are outstanding. Candidates should be young qualified accountants seeking challenge in a dynamic changing environment. Ref: GL.

W. LONDON
c.£20,000

ROMAN HOUSE, WOOD STREET, LONDON
EC2Y 5BA. 01-536 5191

ROBERT HALF

FINANCIAL RECRUITMENT SPECIALISTS

LONDON - BIRMINGHAM - NEW YORK & 22 OTHER CITIES WORLDWIDE

CHARTERED ACCOUNTANT BANKING

City to £25,000

Our Client is a substantial and expanding International Bank with growth plans for its UK operations.

A qualified Chartered Accountant is required to supervise the accounting and reporting function of its London Branch and to contribute to the development of procedures and systems. The successful candidate will also be expected to undertake various special projects for the senior branch management.

Candidates, essentially Chartered Accountants in their late 20's, must possess previous banking experience, either directly or from the banking or consultancy division of a top professional firm.

This is a management appointment offering a clear-cut opportunity to contribute to a growing organisation of stature, with the prospect of broadening one's banking knowledge and experience. Salary and benefits will be in line with the best City practice, and will include a subsidised mortgage facility, n/c pension scheme and a car.

Contact Norman Philpot in confidence
on 01-248-3812

NPA Recruitment Services Ltd

60 Cheapside, London EC2, Telephone 01-248 3812/3/4/5
Management Consultants - Executive Search

GROUP FINANCIAL CONTROLLER

West Yorkshire

Attractive Salary plus Car

This major public group based in West Yorkshire has subsidiaries in the UK and overseas manufacturing high quality products for international markets. Recent results show impressive increases in turnover and profitability with current turnover in excess of £100m.

Continuing growth and associated demands have led to the creation of this position based at Head Office.

Reporting to and working with the Group Financial Director your responsibilities will include:-

- Management reporting to strict deadlines.
- Review of subsidiaries' results and ad hoc projects.
- Involvement in the Group treasury and taxation functions.

Applicants must be Chartered Accountants with a broad professional grounding and a minimum of 3 years industrial experience, ideally with a well run subsidiary of a public group. Familiarity with computer based systems is essential.

Above all, you must be a hard working professional able to demonstrate a high level of ability, enthusiasm and commitment.

Candidates, ideally aged 30 to 35, should apply to:-

forsythe & kayee

ACCOUNTANCY APPOINTMENTS
51a St. Paul's Street, Leeds LS1 2TE
Telephone: (0532) 450851

FINANCIAL CONTROLLER

SOUTH RUCKS:

neg. c.£18,000+CAR

Our client seeks a young qualified ACA/ACCA/ACMA in the probable age range 25-35 to fill the position of FINANCIAL CONTROLLER which has been newly created due to previous and ongoing fast expansion which has added c.35% to turnover in the current financial year.

The parent company is a major BRITISH RETAIL GROUP with annual turnover in excess of £600m and a FULL RELOCATION PACKAGE is available if required.

Reporting to the FINANCE DIRECTOR, the successful candidate should have a good track record including experience of staff supervision in a commercial/industrial environment and be capable of playing a pro-active role in assisting with the continuous evolution of MANAGEMENT REPORTING SYSTEMS as the subsidiary's rapid growth is foreseen to continue through 1986-1990!

THE PROSPECTS ARE EXCITING! If you have the ability to motivate staff whilst working hard yourself, can demonstrate a pleasant personality whilst being commercially combative and want to be part of a CONTINUING BRITISH SUCCESS STORY

Please send your C.V. and/or telephone:

GEORGE D. MAXWELL
Managing Director
ACCOUNTANCY
APPOINTMENTS EUROPE
15 Mortimer Street, London W1
Tel: 01-580 7885/7739 (direct)
01-587 5277 ext 281/282

Accountancy Appointments Europe

Assistant Financial Controller

Berks

£17,500+bonus+Car

THE COMPANY A profitable and rapidly expanding hi-tech subsidiary of an American multi-national engaged in the computer peripheral equipment industry.

THE OPPORTUNITY Recent re-organisation to facilitate future growth has created a new position offering a genuine career path to a 'hands-on' accountant seeking to develop their potential in an exciting environment.

YOU will be professionally qualified with commercial experience in your late 20's or early 30's with the maturity to make a major contribution to the company's success. You will be confident of your own management skills - a good communicator and be prepared to work as part of a small but effective team.

THE ROLE Reporting to the Financial Controller your brief will be to improve efficiency of the financial and management information continually reviewing and improving the company's operating systems and procedures, and assisting in the direction and training of the accounts department.

Success in this position will create further opportunities as the company expands.

Please write or telephone Andrew Fowler, Regional Manager, for a personal history form quoting BB 5412.

Management Personnel

Recruitment Solutions & Search
2 Elm Court, Eton, Windsor, Berkshire,
Telephone: (0753) 854258

Financial Controller

Central London

c.£20K+car

Our client is a highly regarded market leader in its specialised retail sector and an important part of a major British publicly quoted Group.

An ambitious finance executive is now sought, reporting to the Managing Director to control a department comprising the statutory and management accounts as well as all financial aspects of the well established and profitable retail business. Key responsibilities will be timely reporting to senior management, both in-Company and at Group level, maintenance and improvement of systems, budgeting, treasury, and acquisition studies.

Candidates, ideally aged 27-34, must

be qualified accountants with a strong background of retail accounting management. Essential qualities will be not only significant commercial experience but also the inter personal skills to make an effective contribution to the successful management team. Career prospects are excellent.

The attractive remuneration package includes a car, bonus, and other benefits normally associated with a major Group. Please reply, in complete confidence, enclosing full career details to Mike Hann, Bull Thompson and Associates, 63 St Martin's Lane, London WC2N 4JX (tel: 01-240 3561), and quoting Ref. No. 1052.

Bull Thompson

CORPORATE AND RECRUITMENT CONSULTANTS

Accountancy Appointments

Financial Manager

leading to
Senior Management
A.C.A. Age 24-28
Circa £18,000 + benefits + car

Our client, a very well respected international industrial Group, is well aware of the intense competition to secure the services of young accountants of high potential. However, it has devised a unique but well proven method of developing Financial Managers in a way which offers genuine scope for them to aspire to general management or very senior financial appointments in their late 30s or early 40s.

Over a period of 2 years the successful candidates (2 vacancies currently) will gain direct experience of corporate finance and treasury affairs along with the practical aspects of financial control encountered in its manufacturing and services operations situated in U.K., Europe and U.S.A. At the end of the stint the Financial Managers will be offered substantive appointments in the working area for which they are best suited, having regard both to the individuals' location preference and the Group's priority needs.

A range of experience and qualifications could be appropriate, but the essential requirement is that candidates should be graduate chartered accountants who have trained or gained experience with a major firm.

Please apply to Anthony Jones, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG. Tel: 01-242 5775.

Career Plan
LIMITED

Personnel Consultants

Management Accountant

HOME
COUNTIES
c. £16,000
negotiable

Our client, a well-established and highly successful sports company, is seeking a Management Accountant to take responsibility for all aspects of the accounting function.

Reporting directly to the Managing Director you will be responsible for the smooth running of the accounts department, with particular emphasis on ensuring staff effectiveness, enhancing financial systems and streamlining management reporting procedures. The department makes extensive use of the latest office automation techniques, therefore, some exposure to a computerised environment would be a distinct advantage.

Please write in confidence to Sue Wallworth, listing separately those companies to which you do not want your details forwarded.

LONSDALE ADVERTISING
SERVICES LTD.,
Hesketh House,
Portman Square,
London W1H 0JH.

Group Financial Controller

Capital Markets Opportunity
London
c£35,000 negotiable

Our client, the fast-growing capital markets subsidiary of a major European bank, now wish to strengthen their financial function through the appointment of a Group Financial Controller. This is part of the strategy for the continuing development of the bank's capital markets activities.

Reporting to the Chief Financial Officer, the successful candidate will assume responsibility for the worldwide financial reporting and control process. Key tasks will be to review and develop the monthly reporting and operational accounting

activities and to participate in substantial systems development. Some European travel will be involved.

Candidates should be qualified accountants, aged between 26-40, and will have gained relevant experience either in a financial institution or an international accounting firm. Equally important for this role are personal qualities of energy, self-motivation and the ability to respond quickly in a highly competitive and strongly marketing-orientated environment. High technical standards and a hands-on style are also paramount.

This will be a stimulating role for an ambitious financial executive to work in a dynamic management team and offers good career prospects both within the UK and internationally. The compensation package will be geared to attract the right candidate.

Candidates should write enclosing a full CV and quoting reference MCS/2011 to Milton Ives, Executive Selection Division, Price Waterhouse, Management Consultants, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse

Ambitious Financial Manager

Age 26-32

c.£20,000 plus car

Our client is a well known and highly regarded multinational based in an attractive part of West London. The company is currently looking to appoint a Manager for one of its main finance areas heading a department of approximately 18 staff. The position is one of a small team of senior managers who will be involved in Finance Division developments which will take the company forward into the next decade.

The main on-going responsibilities of the position will be to ensure that the financial accounting reporting and control functions are maintained and developed in line with the business growth. This will include the installation of a powerful financial data base and decision support system.

The successful candidate will have ambitious career aspirations in addition to being industrious and results-orientated. The level of staff responsibility requires an ability to manage and motivate staff in an environment of change. Applicants should be ACAs or ACFAs with main management experience and a sound knowledge of UK accounting standards. Familiarity with US GAAP is desirable but not essential.

If you feel that you meet the requirements and are interested in discussing the position, please telephone Karen Wilson BA, ACMA on 01-439 6911 or write enclosing a CV and current salary details to: Financial Management Selection Limited, 21 Cork Street, London W1X 1HS.

Financial
Management
Selection

Merchant Banking – Capital Markets

Chartered Accountant – City

c.£17,500 + early review + first class banking benefits

Sumitomo Finance International is the fast growing merchant banking arm of The Sumitomo Bank, Limited, one of the world's leading banks and a member of the Sumitomo group of companies. A prominent eurobond securities house founded in 1973, it is active in all sectors of the international capital market, providing a broad range of investment banking and corporate financial advisory services.

A rare opportunity has arisen for a graduate Chartered Accountant to assume immediate control of the financial accounting and management information function at Assistant Manager level. Reporting to an Executive Director, the role is widely drawn and carries responsibility for a small support staff.

Candidates aged 26-28, should have gained at least 2 years' post qualification experience in a leading international or national practice. Strong organisational skills and an outgoing personality allied to a desire to develop a career in merchant banking are key requirements for this position.

Prospects for promotion are exceptional, with the opportunity to assume broader administrative responsibilities within 2-3 years.

Interested applicants should contact Charles Austin on 01-831 2000 or write to him, enclosing a comprehensive C.V., quoting ref. L2061, at 39/41 Parker Street, London WC2B 5LH.

MP

Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC Group

LONRHO ZAMBIA LIMITED

Financial Controller

Lonrho Zambia, a Management Region within the Lonrho Group, consists of over 40 companies operating in a variety of industries and with good profit records.

The Financial Controller is responsible to the Managing Director for all aspects of financial management in the Region. Candidates should have experience, preferably in an African context, in the following areas:

- Treasury Management
- Corporate Planning
- Monitoring and improving Company Performance
- Tax
- Statutory and Management Accounts

This is a "career" position. We therefore seek someone with the ability and ambition to assume, in the future, larger responsibilities in Lonrho.

Candidates should be qualified accountants with several years experience in managing a finance function within a major group.

Salary will be paid in local currency and sterling. Benefits include a free house, utilities and car, a gratuity, generous allowances and attractive holiday facilities.

Zambia is an attractive and interesting country with a lovely climate, a stable environment, and would suit someone with a young family.

Please apply, with career and personal details, quoting reference No. V.301, to:-

The Group Personnel Manager,
LONRHO Plc
Cheapside House,
138 Cheapside, London EC2V 6BL

Financial Controller

Age 30 - 40

£20,000

Shoreham-by-Sea, West Sussex

RICARDO CONSULTING ENGINEERS plc, one of the foremost high technology internal combustion engine consultants in the world, undertaking design, research and development for the majority of the engine manufacturers in Europe, America and the Far East, requires a Financial Controller who will report to the Finance Director.

Responsibilities will include the day to day operation of the Accounts Department, assisting the Finance Director in formulation and implementation of policies for the operation of the Department, preparation of monthly cost figures, annual budgets and five year plans and for the Commercial Computing Department.

Candidates should be qualified Accountants in the age range 30-40 and have had considerable accounting and computer experience.

Assistance with removal expenses will be considered in appropriate cases.

Please send a comprehensive career résumé, including salary history and daytime telephone number quoting ref: 2305 to W.L. Tait, Executive Selection Division.

Touche Ross
The Business Partners

Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 3011

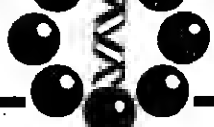
YOUNG ACA

International biotechnology
Stoke Poges, Bucks £15000 to £17500

A leading international biotechnology group is proceeding with plans for the continuing expansion of its specialised activities in the UK and abroad. The Assistant Financial Controller will be responsible for the implementation of group financial planning and reporting systems, for financial accounting in three new subsidiary companies and for assistance with the preparation of group statutory accounts. This is an ideal opportunity for a recently qualified accountant to gain experience in a rapidly developing commercial environment. Age preferred: 25 to 30.

Applications in writing, which will be treated in strictest confidence, should be addressed to:

John Davis, Financial Controller,
Porton International Limited, 261a Hill,
Stoke Poges, Slough, SL2 4EG.



PORTON INTERNATIONAL

World leaders in biotechnology

ACCOUNTANCY APPOINTMENTS

Appears every

THURSDAY

£37.00 per

Single Column

Centimetre

plus VAT

FINANCIAL CONTROLLER

Following the exceptional growth of Stratus Computer, one of the leading suppliers of Fault Tolerant Computer Systems, a vacancy has arisen through internal promotion for a Financial Controller.

The position is to be based in London and the successful candidate will play a key role in the Management Team.

Applicants should be qualified accountants with broad-based commercial experience preferably gained in a hi-tech environment.

An excellent remuneration package, including a company car and share options, is available for the person

who can meet the requirements of this demanding and responsible position.

The ability to demonstrate a "short sleeves" attitude in an exciting environment is of paramount importance.

Applications in writing to:

Steve Bailey
European Financial Director
20 Cannon Street
London EC4M 6ED

Stratus
CONTINUOUS PROCESSING

Accountancy Appointments

Financial Controller

N.W. Kent

from £20,000
+ car & benefits

This growing subsidiary of a major British company manufactures high volume and high quality food products. It has recently invested heavily in the provision of the most modern process technology.

The Company offers an exciting opportunity for an energetic Financial Controller to make a substantial contribution to its future development. The key task is to provide the up to date information vital to effective decision making in a fast moving environment.

Candidates, aged about 35-45, should be Qualified Accountants with broad experience in the finance function. Particular knowledge of product costing and controls is essential, preferably gained in the food industry. Personal qualities must include

drive, determination and initiative, together with strong communication skills.

The attractive benefits package will include a fully expensed quality car.

Please reply to Martin Manning in strict confidence with details of age, career and salary progression, quoting reference 1551/FT on both envelope and letter.

Deloitte Haskins & Sells

Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Assistant Financial Controller

Berkshire
c. £20-22,000 + car

The UK Headquarters of an international manufacturer and supplier of computer hardware and software, now seek a qualified accountant to play a key role in the financial management of the group.

Reporting to the Financial Controller, responsibilities will include managing a team engaged in all aspects of financial and management accounting, providing relevant and timely management information, and

developing the potential of recently implemented computer systems. Qualified to ACA, ACCA or CIMA level and probably aged between 28-40, the successful applicant should have sound technical ability, experience of developing and implementing computer systems, and well-developed management and communication skills. Candidates should have at least five years post-qualification experience, preferably

within sales or service based organisations.

The negotiable salary is supported by first class employment conditions, including a profit sharing scheme and fully expensed car.

Candidates should apply in confidence quoting reference MCS/1001 to Peter Forrester, Price Waterhouse Management Consultants, Thames Court, 1 Victoria Street, Windsor, Berkshire SL4 1HB.

Price Waterhouse

Truman Miles

Management Recruitment Consultants

ACAs FOR MERCHANT BANK

A respected City House, in the forefront of today's financial services market, offers an accounting introduction to graduates aged 22-27. Application is not restricted to just the large London Offices, or to Bank Audit experience. A mortgage subsidy and relocation assistance is provided, amongst traditional benefits, together with a good initial salary for these appointments as Chief Accountant of a specialist subsidiary or to the Audit and Investigations team. The Bank has an excellent reputation for providing career advancement opportunity and will give early recognition to ability and ambition.

Call or write, in confidence, to:
Bob Miller 01-585 2002/3
and 01-585 2005 (Home)
10/11 Bishop's Court, Old Bailey
London EC4M 7EL

Head of Internal Audit International Banking

Age 25-30

Up to £25,000 + car

Our client, the European Division of a major international bank based in London, will shortly appoint a manager to take responsibility for the audit function.

The purpose of this appointment is to upgrade and expand the role of the audit function, particularly in relation to the Bank's expanding Treasury and Capital Markets activities and its increased sophistication in the Data Processing area. It will be necessary to build a new audit team in order to achieve this purpose.

The ideal candidate is unlikely to have had less than three years post qualification experience. It is important that substantial experience should have been recently gained on international banking audit work.

Candidates must demonstrate that they have technical competence as well as management and communication skills to meet the challenge of this appointment. The changing nature of the Bank and the markets within which it operates will necessitate initiative and an innovative approach on the part of the Manager and the Audit team.

There will be ample opportunity for the candidate to move into a mainstream role within the Bank after two to three years in this position. Salary is negotiable and will include the usual banking benefits.

Please apply to Jack Courts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG. Tel: 01-242 5775.

Career plan
LIMITED

Personnel Consultants

Chief Accountant

c£21,000 + car

East Sussex

Our client is a rapidly expanding private group of companies primarily involved in the publication and distribution of local newspapers in Sussex and Kent. The group is committed to continued growth (turnover has more than doubled in this financial year) and has invested heavily in the latest technology of the industry.

As a result of this dynamic growth, the group has identified the need for a Chief Accountant to assume responsibility for the financial and management accounting of the operating companies, systems development and the organisation and supervision of approximately twenty accounts staff. Reporting to the Finance Director, you will also be involved

in ad hoc assignments relating to the group's development. Likely to be aged under 35, you will be a qualified Chartered Accountant who displays high motivation, assertiveness and organisational skills. Strong previous management accounting experience within a fast moving sector is preferred. The successful candidate will be offered an attractive remuneration package and the prospect of a challenging and rewarding role within an exciting, entrepreneurial environment. Candidates should write to Nick Baker FCA, Executive Division, enclosing a comprehensive C.V., quoting ref. 284, at 39/41 Parker Street, London WC2B 5LH.

Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

CHIEF ACCOUNTANT

c£18,000 pa + car
NORTH-WEST LONDON

Our client, currently turning over in excess of £40 million pa, is expanding rapidly as part of an international Group which enjoys a high public profile. The company is recognized as a considerable force in a service-sector market place which is itself undergoing significant change and experiencing substantial growth.

The current volume of business and future expansion plans has determined the need to appoint a high calibre Chief Accountant to act as number two to the Finance Director.

The person appointed will be a qualified Accountant in his/her late twenties capable of assuming full responsibility for all day to day accounting activities and providing the usual management information reports.

Applicants must possess commercial experience in a man-management role and have been extensively exposed to computerized accounting systems in an organization of substantial size.

As the work environment is hectic and demanding with considerable time pressures to meet operational deadlines, the position will appeal only to someone who is particularly self-motivated and keen to be judged on results. Success in the role will reap considerable financial and career rewards.

Applications in the form of a brief but meaningful cv. should be sent to Brian Hodges acting as advisor to the company at

Brian Hodges Associates

MANAGEMENT CONSULTANTS EXECUTIVE SEARCH APPRAISAL AND TRAINING CONSULTANTS

Suite 3, 50-52 High Street, Epsom, Surrey KT19 8AJ

ACCOUNTANCY

APPOINTMENTS

appear every

THURSDAY

Management Accountant

(Systems)

c£18,000 + Bonus, Based SW England

My client, an old established, stable, but expanding brewery group with a turnover in excess of £20 million now offers an exceptional opportunity for a qualified Accountant. Relocation assistance is available.

Aged 30-35 years, the successful applicant must be able to demonstrate:
* Strong interpersonal/motivational skills
* An understanding of all facets of financial planning and budgetary control using computer based systems
* Willingness to learn all aspects of the group's business involving property, retail, manufacturing, and wholesale/distribution
* The ability to make things work: you will be an entrepreneur with a high degree of flair.

The successful applicant will see himself as FINANCIAL MANAGER, ideally from a brewery background. Benefits include non-contributory pension and employee share scheme. Promotion to Financial Director in the medium term is a distinct possibility. For further details please write to Mike Edwards, ARA International, UK Selection Recruitment Division, Edmon House, 17/19 Markham Street, London W1K 0ET, or telephone for further details.

ARA International
UK SELECTION RECRUITMENT DIVISION

Lupofresh

COMPANY SECRETARY

Aged about 35-45, responsible for general office administration, maintenance and development of systems of internal control, and financial and management reporting, sought for small but busy Wimbledon Office (by rail/tube station) of international Hop Merchants with recent Queen's Award for Export. Professional qualification preferred. Some import/export acquaintance advantageous. Good salary and excellent prospects for right person with some entrepreneurial flair.

Write in confidence, enclosing c/v to:
Ian R. Ibbotson, Lupofresh Ltd
138 Alexandra Road, Wimbledon,
London SW19 7JX

ACCOUNTANT circa £15,000

Qualified accountant with commercial experience required. Accountant required for expanding financial services division of quoted company.

Experience of the asset leasing industry is essential together with knowledge of computer installation and operation. Based north Surrey. Apply in confidence with c.v. to:

J. Hill
Equity and General Finance Group
Fabbie Cottage Hall, Tadworth, Surrey KT20 7PA.

FINANCIAL CONTROLLER

Sussex

c £20,000*

An ambitious, commercially-minded young accountant is required by a £15 million turnover subsidiary of a successful and expanding US consumer products group. The vacancy arises due to the promotion of the incumbent into a general management position in another UK subsidiary.

Reporting to the General Manager, the Financial Controller will be expected to play an active role in the senior management team. Key responsibilities will include producing and interpreting management information, providing financial advice, and being heavily involved in business planning and development. The preparation of financial accounts and management reports is largely computerised.

Applications are invited from qualified accountants in their late twenties/early thirties who are computer literate and possess relevant commercial experience.

*In addition to a basic salary of up to £18,500, the company offers a bonus expected to yield 10-15% of salary, a fully expensed car, and attractive additional benefits. Relocation expenses will be paid where appropriate.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2326, to G.J. Perkins, Executive Selection Division.

Touche Ross

The Business Partners

Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

GOOD MOVE FOR A NEWLY QUALIFIED ACCOUNTANT

Head Office - close to Liverpool Street

As assistant to our Group Financial Director you'll be at the centre of financial management within the Frizzell Group, Britain's largest privately owned Insurance Broker at Lloyds. A good opportunity, you'll agree, for a newly qualified accountant looking for a fast build-up of valuable experience in a stimulating City environment. Profiting from any guidance and additional training you need, you will take on a range of responsibilities from the consolidation of Group accounts and production of management information to co-ordination of audit and the position of Secretary to the Insurance Committee.

You will also undertake special projects for the Financial Director and become involved with research and development in respect of new technology.

Probably in your mid 20's you'll be well organised, diplomatic, positive and an effective communicator at all levels. A flexible disposition is equally important.

We can offer the right man or woman a salary package in the region of £13,000 p.a., plus a profit sharing bonus. As for the prospects, after a couple of years in this position you should be well equipped for further career advancement which we hope will take place within our Group.

FRIZZELL

Please forward your c.v. to: Mrs. S. McGeachie, Personnel Manager, The Frizzell Group Limited, Frizzell House, 14/22 Elder Street, London E1 6DF.

ACCOUNTANCY APPOINTMENTS

Rate £37.00 per Single Column centimetre

Accountancy Appointments

Financial Planning, Budgeting and Forecasting

for major North Sea oil projects
London-based up to £18,000

Monitoring operating performance and profitability... assessing long-range trends... preparing financial forecasts... recommending new business strategy: all part and parcel of a vital service to corporate management provided by a professional team of Financial Analysts in our London office Finance Group.

Our recent merger with Gulf resulted in Chevron becoming the world's third largest oil company. It also created a number of superb career development opportunities, within this team, for high-flying graduate accountants and individuals who have a good business or economics degree and a background in financial analysis.

They must be personally well-organised with first-class presentation skills giving them the ability to present their recommendations to senior management effectively and persuasively. Experience in the oil industry and of personal computing would be extremely useful - but not essential.

Please send full cv, including current salary, to Mary Gilfillan, Human Resources Department, Chevron Petroleum (UK) Limited, 93 Wigmore Street, London W1H 9AA. Telephone: 01-487 8246.



Commercial Director Manchester

This successful UK member of a major European publishing group, has established itself firmly in the UK market through six companies specialising in juvenile, trade and magazine publishing as well as the toy and video cassette markets. Its profits are planned to increase substantially in the immediate future through development of the existing business and the acquisition of additional companies in both the UK and USA.

In order to strengthen the management team, the company requires a commercial director with sound technical ability in financial and management accounting who can advise on expansion and diversification. The appointment is expected to make a significant contribution to the formulation of business strategy, the identification and the analysis of target markets. A key factor will be the assistance in negotiating and administering the integration of new acquisitions.

The ideal candidate will be mid to late thirties, a chartered accountant with vision, energy and flair. It is essential that they have operated in a fast moving, international marketing environment with experience in branded consumer goods. The ability to research and plan financial and market strategies in an expansive environment is essential. Preference will be given to candidates with experience of acquisitions.

The rewards and opportunities reflect the challenge of the appointment and will include a substantial salary, incentive bonus, quality car and benefits. Relocation assistance will be provided where appropriate.

Please write in confidence to JP Cornish (ref 1107).

KMG Thomson McLintock
Management Consultants
70 Finsbury Pavement, London EC2A 1SX

Financial Director Designate Electronic equipment

Mid Wales c.£28,000 plus car

Our client is a publicly-quoted group that designs, manufactures and sells advanced electronic equipment used in a wide range of industrial processes.

A financial director designate is sought who can achieve full director status after about six months. Responsibilities will be broad-ranging: a particular need will be to work closely and in detail with the directors on matters related to the further development of this highly profitable organisation, as well as to direct the activities of a small accounts department.

The ideal candidate will be a commercially oriented chartered accountant aged under 40, who is presently the number two or three in the finance department of a medium-sized or large engineering or technologically-based public company.

There is a profit-sharing scheme and there will be opportunities for equity participation.

Please write in confidence to MJB Ping, enclosing a detailed curriculum vitae and quoting reference F/4051P, at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

EW Ernst & Whinney

Financial director

Surrey, to £40,000



With a reputation for first class customer service and technical excellence, this people orientated service sector company is amongst the leaders in its field. Part of a substantial public group, turnover is in excess of £200m pa.

Reporting to the Managing Director with responsibility for the entire financial function you will concentrate initially on the development and improvement of computer based financial and management information systems to meet the needs of a rapidly expanding business.

A qualified accountant, aged from your mid thirties, you must have substantial experience of managing and motivating sizable accounting staffs at an operating level in major groups. Extensive knowledge of systems development and implementation will be a pre-requisite. Displaying a high level of ability and drive together with first class interpersonal skills you will already have made your mark in the financial function.

Resumes including a daytime telephone number to Torrance Smith, Executive Selection Division, Ref. S404.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants
10 Bouverie Street
London EC4Y 8AX

GROUP TREASURER

The Wedgwood Group with worldwide markets in the field of high quality ceramic table and ornaments, are inviting applications for the position of:

We are looking for a high calibre Treasurer to assume responsibility for all treasury matters including foreign exchange dealing, cash management and banking relations, together with general financial strategy and planning in this area.

The successful candidate must have a depth of relevant practical experience in a treasury environment. Appropriate qualifications such as membership of the Association of Corporate Treasurers will also be taken into account.

The remuneration will be a salary package including a profits related bonus in the region of £20,000 together with a company car and other benefits, including Pension and Life Assurance Schemes.

Please reply in confidence giving concise details of your career to:

Industrial Relations Manager
Wedgwood plc
Barnston
Stoke-on-Trent
ST12 9ES



Wedgwood
a career in quality

ESAB ESAB GROUP (UK) LTD

Manufacturing Accountant To £17K + CAR

ESAB is a major international group with a dominant share of the UK market for welding equipment and consumables.

Reporting to the Finance Manager - Operations, with a strong functional link to the Manufacturing Manager, this is an attractive opportunity for a qualified accountant who has spent at least two years in a manufacturing environment. Experience of computerised manufacturing control systems is a pre-requisite and knowledge of their application to a process industry would be an advantage.

Main responsibilities are to provide a comprehensive accounting service to factory management, to ensure that proper cost control is exercised throughout the production process, and to liaise with the Swedish parent company on product cost analysis.

Please forward detailed C.V. in the first instance to: Mrs. C.A. Perry, ESAB Group (UK) Ltd., Hertford Road, Waltham Cross, Herts EN8 7RP.

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Financial Director

Construction Equipment
Southern England, c.£30,000, Car

The company, a key subsidiary of a British public group, designs and manufactures equipment for the construction and mining industries. Turnover is around £25m, 50% export, and the company is profitable. The person appointed will join the Board, assume full responsibility for the finance function and play a key role in defining and implementing strategy for the short and long term development of the company. The position requires a person of the highest calibre in both intellect and management skills and a first class record of achievement.

Candidates must be qualified accountants (preferably chartered), aged 35-50 and experience of modern computerised financial and management controls is essential. Prospects could be extremely interesting.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to H.W. FitzHugh, Hoggett Bowers plc, 6th Floor, Sutherland House, 5/6 Argyle Street, LONDON, W1V 1AD, 01-734 6852, quoting Ref: 20301/FT.

F.E.R.A.G.

COMPANY ACCOUNTANT
(Director designate)

Age 25/35

FERAG (UK) LTD. (staff level presently 25) is the subsidiary of a Swiss engineering company, operating in the graphics industry. UK activities are principally sales, installation and servicing of a range of sophisticated systems. The position is an all embracing one, including responsibility for accounting, secretarial and administrative functions. Additionally it will include a review of a new computer system.

The candidate will report to the Managing Director and advise the Board on all financial matters. The successful candidate will be a Qualified Accountant, who has the potential to become financial director. He/she should be capable of communicating at all levels and have an enthusiasm and flexibility to join a company with an excellent future. Knowledge of German would be an advantage.

Please apply to:
RMO/FERAG AG
attention Mr. Guido Stoffen
Industriestrasse 1, CH-8340 Hünwil/ZH, Switzerland
mailed "Private and Confidential"

FINANCIAL DIRECTOR DESIGNATE

Our Client is a well established family business based in South West London specialising in Medical Electronics with a turnover of approximately £4.5m.

Reporting to the Managing Director, the appointee will be responsible for the financial direction of the company and making the relevant contribution to the management team.

Candidates should preferably have at least 5 years' post-qualification accountancy experience, and must be thoroughly familiar with comprehensive computer systems. A positive personality and keen business sense are essential requirements. The remuneration includes a basic salary in the range of £17,500 - £25,000 a company car and non-contributory pension scheme.

Please apply in writing with career details to:
D.W. Crane Esq., F.C.A., Morison Stoneham & Co.
805, Salisbury House, 31, Finsbury Circus, London EC2A 1SD

Morison Stoneham
Chartered Accountants

UNIVERSITY OF WARWICK

Lectureship in Accounting and Finance
Applications are invited for a Lectureship in Accounting and Finance in the School of Industrial and Business Studies to join a developing group led by Professor Stewart Hopper and Professor Tony Steele. Candidates should be able to demonstrate a strong academic background and ability to contribute to research. The accounting and finance group operates within an expanding research and business school environment. The position will appeal equally to those early in their academic career and to established lecturers.

The appointment will be for 3 years. The University expects to appoint a lecturer in view of the growing demand for the appointment. The position will be replaced. Application forms and further particulars from the Registrar, University of Warwick, Coventry CV4 7AL quoting Ref. No. 12/3A/85/91. Closing date 18th November 1985.

CHIEF INTERNAL AUDITOR Sussex £17-20k + car/package

Our client, a highly profitable £150m turnover Group of companies, seeks a professionally qualified accountant to assume total responsibility for the internal audit function, investigating a wide range of financial and operational systems at 125 U.K. cost centres, including Head Office.

Specific areas of responsibility will include reporting on effectiveness and efficiency of all financial and administrative systems, developing computer-based internal audit methods, playing a key role in the design and implementation of new systems and taking part in the process of business acquisitions.

In addition to holding a recognised accountancy qualification, preferably chartered, you will have held responsibility for undertaking audits within multi-million turnover businesses.

You are likely to be aged 28-35, although age is less important than the potential to assume wider responsibilities. Career development prospects are available for the right person, either in the Group's finance function or in line management within a U.K. or overseas operating division.

Based in a pleasant Sussex location, an excellent salary package is negotiable. Please apply in confidence to:

Stephen Mawlett, Managing Director,

Senior Management International
Executive Search Consultants



Landseer House
19, Charing Cross Road
LONDON WC2H 0ES

Financial Director

To join a small management team revitalising a
Traditional Food Company

LINCOLNSHIRE

c£25,000 + Car

You will be a key member of a new management team that has been carefully selected by the new Chief Executive to introduce professional management practice into a company with the potential for significant profitable development.

The post will be attractive to qualified accountants in their thirties seeking company wide responsibility and the opportunity to contribute to the management of the business at board level.

The role encompasses all elements of the Finance function, a range of related administrative responsibilities, and the management of the company's systems development in both mainframe and micro terms. There are significant opportunities for the introduction of streamlined systems in the basic accounting function and personal involvement in the strategic decision making process of the company which will involve working closely with the Chief Executive on major projects.

We will be seeking high calibre individuals, preferably graduates, who combine industrial experience with a recognised professional qualification.

The post carries a full range of competitive benefits including relocation assistance. Applicants of either sex should apply in confidence to Michael Johnson (0962) 53319 (24 hour service) or write to Johnson Wilson & Partners, Clarendon House, Hyde Street, Winchester, Hampshire SO23 7DX, quoting ref. 638.



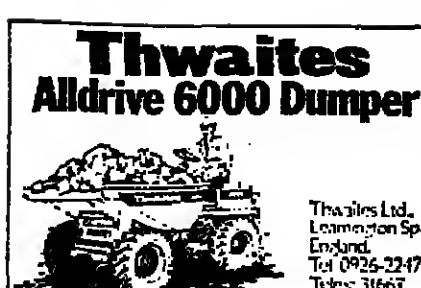
Johnson Wilson & Partners
Management Recruitment Consultants



SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday October 24 1985



Exxon hit by exchange and closure charges

By William Hall in New York

EXXON, the biggest U.S. oil company, yesterday reported a 22 per cent drop in third-quarter net income to \$950m. The figures were depressed by special factors and disfigure a sharp recovery in the profitability of marketing and refining operations.

Mr Clifford Garvin, chairman, says comparison of the third-quarter figures with last year was adversely affected by \$100m of foreign exchange effects on the debt of affiliates and a \$185m after-tax charge to cover the cost of closing the group's Hamburg refinery and Cologne chemical facilities.

Earnings from operations, which excludes corporate, financial and special charges, increased by 10.5 per cent in the quarter to \$1,320m or \$1.77 a share. By contrast, net income after special charges and allowing for recent share repurchases fell by \$158 per cent to \$1.58 a share in the latest three months.

Foreign refining and marketing operations swung from a loss of \$30m in the third quarter of 1984 to a profit of \$184m in the latest three months.

U.S. downstream operations more than tripled their contribution to \$68m in the latest three months.

Exxon says firming prices and lower raw material costs were the primary factors behind the sharp improvements in its downstream earnings. It says small gains in motor and distillate fuels volumes were more than offset by declines in heavy fuel oil volumes because of lower industrial and electricity use. The group's refining and marketing, 1980 profits were \$97m in the latest three months compared with \$123m in the third quarter of 1984.

The group's U.S. upstream exploration and production earnings fell by 13.5 per cent to \$441m and overseas earnings fell by 11.8 per cent to \$500m. Earnings from worldwide chemical operations fell 35 per cent to \$56m in the latest three months.

For the first nine months, Exxon's earnings are 25 per cent down at \$3,080m. Although earnings from operations are just \$12m down at \$4,11m, the sharp decline at the net

level is explained by a \$545m provision on the Hawkins field and higher corporate and financing charges. Exxon earned \$4.03 a share in the nine months, down from \$4.96.

Phillips Petroleum, the Oklahoma oil company which fought off an unwelcome takeover bid earlier this year, yesterday reported a 30 per cent drop in third-quarter earnings to \$38m, or 12 cents a share. The figures were depressed by \$87m, or 39 cents a share of non-recurring items.

For the first nine months Phillips had earnings of \$252m, or 81 cents a share, on revenues of \$641m or \$1.39 a share, on revenues of \$1,173m in the comparable period of 1984.

Worldwide oil production rose by 11 per cent and natural gas production by 8 per cent, the group has reduced its debt by \$600m from its April peak of \$3.8m and expects to cut it by another \$400m by the end of this month. Capital spending in the first nine months is down 18 per cent at \$212m.

Benedetti to tap bourse for L74bn

By Alan Friedman in Milan

SIG CARLO de Benedetti is to raise L74.4bn (\$41.8m) by floating on the Milan bourse 25 per cent of his family's ultimate holding company - Compagnia Finanziaria de Benedetti (Cofide) - and by selling 7 per cent of the company to the Indosuez group of Paris.

Sig Antonio Jeanpierre Galignani, general manager of Banque Indosuez, is to join the Cofide board.

The bourse issue and share sale to Indosuez form part of an overall L60bn capital increase that involves the issue of 41.2m new shares, 25m to the public (for a value of L58.1m), 2m to Indosuez (for a value of L16.3m) and a final 3.5m that Sig Benedetti is taking up himself.

This latest de Benedetti equity issue comes just 24 hours after it emerged that Sig de Benedetti was to raise L300bn through a rights issue for Sabatini, another financial vehicle, which is part of his CIR holding group. Cofide is in turn the largest shareholder in CIR, which controls 15 per cent of Olivetti (which Sig Benedetti chairs); the Italian food group; an important stake in Pirelli; the Mondadori publishing group; the Enimont metallurgical group; the GIM metallurgical business; and other industrial and financial activities.

As a result of these equity issues, Sig de Benedetti will have topped the stock market for a total of \$201m, which will almost certainly be used to finance new acquisitions. The Cofide flotation is to be managed by Mediobanca, the Milan merchant bank, and Banca Commerciale Italiana (BCI), Italy's second-largest bank. Mediobanca, which has been ruled by the 77-year-old Sig Enrico Cuccia, has generally been much closer to the financial interests of the Agnelli family, which controls Fiat. The involvement of Mediobanca in a big share issue for Sig Benedetti reflects changes in the structure of power among key members of Italy's industrial elite.

Falling interest rate helps FCA recovery

By William Hall in New York

FINANCIAL CORPORATION OF America (FCA), the parent of America's biggest savings and loan association that was close to failing last year, clearly helped FCA in the last few months. The group's average cost of funds has dropped from a peak of 11.70 per cent to 9.23 per cent in the latest three months, whilst the yield on its assets has only slipped from 12.61 per cent a year ago to 12.06 per cent in the latest quarter.

At the same time, the group has "significantly increased" its lending volume in the third quarter and expects to meet or exceed its goal of \$25.5m to its loan loss reserve, which totalled \$473m at the end of September.

Falling interest rates during the last few months. The group's average cost of funds has dropped from a peak of 11.70 per cent to 9.23 per cent in the latest three months, whilst the yield on its assets has only slipped from 12.61 per cent a year ago to 12.06 per cent in the latest quarter.

At the same time, the group has "significantly increased" its lending volume in the third quarter and expects to meet or exceed its goal of \$25.5m to its loan loss reserve, which totalled \$473m at the end of September.

Falling interest rates during the last few months. The group's average cost of funds has dropped from a peak of 11.70 per cent to 9.23 per cent in the latest three months, whilst the yield on its assets has only slipped from 12.61 per cent a year ago to 12.06 per cent in the latest quarter.

\$25.5m to its loan loss reserve, which totalled \$473m at the end of September.

Falling interest rates during the last few months. The group's average cost of funds has dropped from a peak of 11.70 per cent to 9.23 per cent in the latest three months, whilst the yield on its assets has only slipped from 12.61 per cent a year ago to 12.06 per cent in the latest quarter.

At the same time, the group has "significantly increased" its lending volume in the third quarter and expects to meet or exceed its goal of \$25.5m to its loan loss reserve, which totalled \$473m at the end of September.

Falling interest rates during the last few months. The group's average cost of funds has dropped from a peak of 11.70 per cent to 9.23 per cent in the latest three months, whilst the yield on its assets has only slipped from 12.61 per cent a year ago to 12.06 per cent in the latest quarter.

At the same time, the group has "significantly increased" its lending volume in the third quarter and expects to meet or exceed its goal of \$25.5m to its loan loss reserve, which totalled \$473m at the end of September.

Falling interest rates during the last few months. The group's average cost of funds has dropped from a peak of 11.70 per cent to 9.23 per cent in the latest three months, whilst the yield on its assets has only slipped from 12.61 per cent a year ago to 12.06 per cent in the latest quarter.

At the same time, the group has "significantly increased" its lending volume in the third quarter and expects to meet or exceed its goal of \$25.5m to its loan loss reserve, which totalled \$473m at the end of September.

Falling interest rates during the last few months. The group's average cost of funds has dropped from a peak of 11.70 per cent to 9.23 per cent in the latest three months, whilst the yield on its assets has only slipped from 12.61 per cent a year ago to 12.06 per cent in the latest quarter.

\$3.5bn for 1985 as a whole, said Mr Popejoy, who indicated that increases in loan fees have made a notable contribution to the company's return to profitability.

In the third quarter, FCA sold \$266m of foreclosed real estate, but at the end of September the company's scheduled items - the regulator's term for non-performing assets - totalled \$1.7bn, or 6.26 per cent of regulatory assets. At the end of 1984, the ratio was 5.36 per cent and at the end of 1983, it was 4.07 per cent.

For the quarter, FCA's deposits increased by a net \$253m.

Profits of Norsk Hydro rise 22%

By Kevin Done in Stockholm

NORSK HYDRO, the Norwegian energy, chemicals and metals group, increased its net profits by 22 per cent in the first nine months to Nkr 1,774bn (\$223.8m) from Nkr 1,453bn a year earlier.

Net profits in the third quarter rose by 14.8 per cent to Nkr 426m. All three major activities: petroleum, fertilisers and metals, have increased profits this year and Hydro's earnings have also been helped by favourable exchange rates. Profits from the group's petrochemicals operation have fallen sharply as a result of a substantial drop in product prices.

Group turnover rose by 8.3 per cent to Nkr 27,898bn in the first nine months. Hydro said there had been little change in market conditions between the second and third quarters, although sales of both natural gas and fertilisers had shown their normal seasonal decline.

The company said it expected the current economic climate to continue to the end of the year. The seasonal decline in the third quarter had been overcome and lower prices for natural gas and heavy fuel oil were expected to increase earnings of the fertiliser operations.

Eli Lilly shows advance

By Paul Taylor in New York

ELI LILLY, the U.S. pharmaceuticals group, achieved a 9 per cent gain in third-quarter earnings to \$122.1m or \$1.75 a share, from \$111.7m, or \$1.53 a share, in 1984, on sales up by 10.6 per cent to \$787.9m.

For the nine-month period the Indianapolis-based group reported net earnings of \$388.1m, or \$5.59 a share, on sales of \$2,450m compared with \$372.4m, or \$5.09, on sales of \$2,338m.

Sales gains in pharmaceuticals, medical instruments and cosmetic products led the quarterly growth.

The group has agreed to acquire Hybritech, a leading biotechnology firm, in a \$300m deal which will bolster Lilly's position in the rapidly growing diagnostics business and supplement the group's own research efforts, aimed at developing monoclonal antibodies to treat some types of cancer.

Bristol-Myers, another leading U.S. drugs group, yesterday agreed to acquire Seattle-based Genetic Systems in a share-swap deal worth \$244m.

The deal, which was jointly announced by the two companies, is the latest in a string of acquisitions by leading U.S. pharmaceutical groups of young biotechnology companies. Genetic Systems was founded in 1980.

Poclain aims for FF200m over two years

By David Marsh in Paris

POCLAIN, the French hydraulic excavator manufacturer, needs profits of FF200m (\$24.8m) during 1986 and 1987 to avoid asking shareholders for a fresh capital increase Mr David Bigelow, chairman said yesterday.

This follows two restructuring packages totalling FF1.2bn in loans and equity already put together for Poclain since 1983.

Mr Bigelow was speaking at the presentation of Poclain's new 61 excavator, a 12.5-tonne model that cost between FF60m and 70m to develop. The excavator, a key element in the company's plans for future prosperity, uses new hydraulic technology and computer production and design methods. It is the first new product produced by Poclain since Case-Tenneco, the U.S. construction and farm equipment group, reinforced its control of Poclain in 1983.

Following a FF250m capital increase subscribed in June 1984, Case-Tenneco now has 44 per cent of Poclain's FF455m capital, with 38 per cent held by French banks and financial institutions.

Mr Bigelow, who was brought in by Tenneco to chair the company in 1983, said Poclain's recovery was proceeding slowly in the face of intense worldwide competition.

The French hydraulic excavator market slumped 50 per cent between 1981 and 1984. Worldwide demand is still 20 to 25 per cent below 1979 levels despite a pick-up this year in Western Europe.

After total deficits of FF753m in 1982 to 1984, the company made group net losses of only FF40m in the first half this year. The 1985 result would still be a loss, Mr Bigelow said, but it was a "reasonable bet" that it would achieve its 1986/87 profits target.

Price agreed for Pacific Lumber deal

By Our Financial Staff

MAXKAM Group, a U.S. property management concern, is to take over Pacific Lumber, a San Francisco-based forest products and welding equipment group, in a \$870m agreed deal.

The definitive agreement follows an increase in Maxkam's offer from \$38.50 a share to \$40. However, Maxkam must obtain firm commitments to raise the necessary financing within 10 business days after filing the amended tender offer with the U.S. Securities and Exchange Commission, but in no event later than November 8.

Maxkam's original offer had been rejected, but yesterday Mr Gene Elam, Pacific Lumber's chief executive, said: "Having reviewed the alternatives, we believe the merger agreement is in the best interests of our shareholders."

The deal takes Maxkam into new business areas.

General Foods gains 24% in second quarter

By Paul Taylor in New York

GENERAL FOODS, the U.S. packaged foods group that last month agreed to merge with Philip Morris, the U.S. tobacco group, in a \$5.84bn deal, yesterday reported a 24 per cent gain in fiscal second-quarter net earnings to \$72.8m, or \$1.58 a share, from \$58.8m, or \$1.20.

The earnings gain in the quarter ending September 28 came despite a slight decline in sales, which fell to \$2.82bn from \$2.89bn. The company said the decline reflected a programme to lower list prices and reduce inventory levels in its grocery coffee business. The programme was an attempt to bring more stability to General Foods's coffee business.

For the fiscal first half, General Foods reported a 14.6 per cent gain in net earnings to \$150.5m, or \$3.21 a share, compared with net earnings from continuing operations of \$131.3m, or \$2.61, in the same period last year on sales of \$4,457m, compared with \$4,529m a year earlier.

The company made final net earnings of \$170.3m, or \$3.37 a share.

Mr James Ferguson, General Foods' chairman and chief executive, said: "We have long anticipated fiscal 1986 to be the year when General Foods would start delivering the results of what our long-term strategies were designed to produce - and that is exactly what we are doing. Earnings from operations for the quarter and the first half are up sharply, and we are well on the way this year to exceeding our corporate target of earnings growth 3 to 5 per cent above the rate of inflation."

Mr Ferguson also said second-quarter earnings had advanced in most of the group's businesses and volume gains had been posted in several businesses.

period last year on sales of \$4,457m, compared with \$4,529m a year earlier.

The company made final net earnings of \$170.3m, or \$3.37 a share.

Mr James Ferguson, General Foods' chairman and chief executive, said: "We have long anticipated fiscal 1986 to be the year when General Foods would start delivering the results of what our long-term strategies were designed to produce - and that is exactly what we are doing. Earnings from operations for the quarter and the first half are up sharply, and we are well on the way this year to exceeding our corporate target of earnings growth 3 to 5 per cent above the rate of inflation."

Mr Ferguson also said second-quarter earnings had advanced in most of the group's businesses and volume gains had been posted in several businesses.

Skanska expects drop in year's earnings

By Kevin Done in Stockholm

SKANSKA, the Swedish construction and investment group, expects its profits to fall to SKr 850m (\$107m) this year from SKr 818m in 1984 and SKr 1,630m in 1983.

Profits (before tax and allocations) in the first eight months fell to SKr 566m from SKr 608m a year earlier.

Profitability in the domestic construction market has deteriorated further in the face of over capacity and increasing costs, even though the prolonged fall in building investment has been slowed.

House building, which has been falling throughout the 1980s, is still declining, with a drop of 15 per cent in building starts in the first eight months of the year. Industrial construction activity has picked up significantly, however.

Skanska group turnover rose to SKr 8,688m in the first eight months of the year from SKr 8,278m a year earlier. For the full year, turnover is expected to total SKr 15,250m, compared with SKr 14,765m in 1984.

At the end of August, the group had an order book worth SKr 10,440m. New orders from abroad have been lower than expected, however.

SKANSKA, the Swedish construction and investment group, expects its profits to fall to SKr 850m (\$107m) this year from SKr 818m in 1984 and SKr 1,630m in 1983.

Profits (before tax and allocations) in the first eight months fell to SKr 566m from SKr 608m a year earlier.

Profitability in the domestic construction market has deteriorated further in the face of over capacity and increasing costs, even though the prolonged fall in building investment has been slowed.

House building, which has been falling throughout the 1980s, is still declining, with a drop of 15 per cent in building starts in the first eight months of the year. Industrial construction activity has picked up significantly, however.

Skanska group turnover rose to SKr 8,688m in the first eight months of the year from SKr 8,278m a year earlier. For the full year, turnover is expected to total SKr 15,250m, compared with SKr 14,765m in 1984.

At the end of August, the group had an order book worth SKr 10,440m. New orders from abroad have been lower than expected, however.

Libra Bank to raise \$200m

By Peter Montagnon, Euromarkets Correspondent

LIBRA BANK, the London-based consortium specialising in Latin America, has launched a commercial paper programme in the U.S. to raise \$200m by next year.

Simultaneously, the bank has arranged a \$20m private placement with two UK pension funds as part of a programme to diversify its source of funds and strengthen its capital base. The placements count as secondary capital under Bank of England regulations.

The bank said yesterday it began selling commercial paper in the U.S. last week and by the end of this week will have \$100m outstanding. The paper has been rated A1 by Standard & Pears and is being sold without any guarantee from shareholder banks.

The paper will provide a new source of funds for Libra and reduce its dependence of the international interbank market.

Thyssen sets \$75m Euronote facility

By John Davies in Frankfurt

THYSSEN, the West German steel company, has arranged a \$75m Euronote facility through a bank consortium as part of a dollar and D-Mark financing package.

It is the latest company to make use of this financial instrument, which has aroused considerable attention in West Germany in recent months.

The five-year facility, at variable interest rates, is being organised through a consortium led by Deutsche Bank and Commerzbank.

Thyssen is also issuing a \$30m Eurobond for seven years at 10.5 per cent through a consortium led by Deutsche Bank and Commerzbank, and a DM 250m Eurobond for 10 years at 8.75 per cent through a consortium led by Deutsche Bank and Commerzbank, with Westdeutsche Landesbank.

The steel group indicated that the package had the general aim of improving the structure of the company's financing, without any specific object in mind.

Earlier this year, Klockner, the steel trading and engineering concern, arranged a \$50m revolving note issuance facility.

The European Investment Bank is the first foreign borrower to make a bond issue in the Irish domestic bond market. The deal has been dubbed a "wolfhound" issue. The ICLM deal is being led by Allied Irish Investment Bank. The maturity is 10 years and coupon 11 1/2 per cent with issue price set at \$1.80.

BNF Bank bond average			
Oct 23	Previous	High	Low
104.290	104.381	105.000	99.800

UK building society floater restores investor confidence

By Maggie Urry in London

BRITAIN'S newly merged Alliance and Leicester Building Society restored confidence in the new Eurosterling building society floater market with a £150m issue yesterday. It is the sixth building society to make such an issue, and lead manager S.G. Warburg was careful to structure the deal to make it more attractive to investors.

The eight-year bonds, of which a further \$50m is available on tap over the next year, pay a 1/4 per cent margin over three-month London interbank offered rate (Libor), more generous than the Halifax, Nationwide and Abbey National issues. However, front end fees are lower at 20 basis points, giving an all-in cost to the borrower of 16.2 basis points above Libor.

Warburg also adopted the idea, used by Hambro Bank for the Britannia issue, of fixing the first coupon launch so that investors could be sure of the return. This coupon will be paid in May 1986, by which time the building societies are expected to be able to make gross payments, at the annual rate of 11 1/4 per cent.

The issue was an instant success, with the bonds trading above the par issue price.

New South Wales Treasury Corporation was the first Australian state to tap the Eurosterling market with a £50m, seven-year issue also led by Warburg. The coupon is 10 1/2 per cent and issue price par. The bonds were

meeting demand at around 98%, giving investors a yield slightly higher than UK government stocks.

The Eurodollar market was calmer following the flurry of new issues on Tuesday. Prices were little changed.

Banque Indosuez launched a \$125m floater with a maximum coupon of 13 per cent. The 12-year bonds pay interest at 3/4 per cent over six-month Libor and are issued at par. Banque Indosuez led the issue itself. Fees total 75 basis points and the bonds were quoted around 99.55.

In the Yankee market, Morgan Stanley set terms for Sweden's 30-year issue, which was increased from \$250m to \$300m. The coupon is 10 1/4 per cent and issue price 99 1/4. Investors can put the bonds at par after 10 years.

In the European dual-currency market, Yamaichi International (Europe) launched a £200m, 10-year issue for Dansk Naturgas. The bonds will be redeemed at an exchange rate of Y184 to the dollar and pay a 8 per cent coupon. Issue price is 101 1/2.

New issues continued to flood in to the D-Mark Eurobond market, depressing prices further. Secondary market prices fell by 1/4 point on average, with new issues falling more. Trading was quiet with no buying interest seen.

Even so, two more deals were launched yesterday. Tenneco is

raising DM 250m through a 10-year issue paying a 6 1/2 per cent coupon and issued at par. Commerzbank is lead manager. The bonds were quoted only just inside the 2 1/2 per cent total fees. The other issue was a DM 250m deal for Thyssen, also led by Commerzbank, which is part of a financing package including a \$50m deal led by Deutsche Bank and a \$75m note facility.

In the Swiss franc foreign bond market, secondary market prices were stable or slightly firmer yesterday. Newfondinvest's SwFr 150m, 15-year deal ended its first day's trading at 98 1/4 down from its 99 1/4 issue price - a disappointing debut. The coupon is 5 1/4 per cent.

SBC announced a two-part private placement for Mitsui, the Japanese steel, chemical and electronics group, both for SwFr 100m. One matures in March 1991 and has a 1 per cent coupon with redemption at 105. The other matures in September 1991 and has an indicated yield of 2 per cent with redemption at par.

The European Investment Bank is the first foreign borrower to make a bond issue in the Irish domestic bond market. The deal has been dubbed a "wolfhound" issue. The ICLM deal is being led by Allied Irish Investment Bank. The maturity is 10 years and coupon 11 1/2 per cent with issue price set at \$1.80.

raising DM 250m through a 10-year issue paying a 6 1/2 per cent coupon and issued at par. Commerzbank is lead manager. The bonds were quoted only just inside the 2 1/2 per cent total fees. The other issue was a DM 250m deal for Thyssen, also led by Commerzbank, which is part of a financing package including a \$50m deal led by Deutsche Bank and a \$75m note facility.

In the Swiss franc foreign bond market, secondary market prices were stable or slightly firmer yesterday. Newfondinvest's SwFr 150m, 15-year deal ended its first day's trading at 98 1/4 down from its 99 1/4 issue price - a disappointing debut. The coupon is 5 1/4 per cent.

SBC announced a two-part private placement for Mitsui, the Japanese steel, chemical and electronics group, both for SwFr 100m. One matures in March 1991 and has a 1 per cent coupon with redemption at 105. The other matures in September 1991 and has an indicated yield of 2 per cent with redemption at par.

The European Investment Bank is the first foreign borrower to make a bond issue in the Irish domestic bond market. The deal has been dubbed a "wolfhound" issue. The ICLM deal is being led by Allied Irish Investment Bank. The maturity is 10 years and coupon 11 1/2 per cent with issue price set at \$1.80.

World banking is our business

BNP is Europe's largest bank, with a worldwide network operating in 74 countries.

With over 250 branches and offices covering the Atlantic Region and more than 2000 branches in France, BNP is ideally placed to meet your business and banking needs. **BNP**

BANQUE NATIONALE de PARIS

Head office: 16 bd des Capucines, 75009 Paris
Tel: 42.44.45.46 - Telex: 280 605

This announcement appears as a matter of record only.

August, 1985

U.S. \$630,000,000

EBS Finance Corporation

Revolving Note Issuance Facility

Arranged by

Salomon Brothers International Limited

Lead Managed by

The Bank of Tokyo Trust Company Banque Nationale de Paris The Canadian Imperial Bank Group
 Commerzbank Aktiengesellschaft Crédit Agricole Crédit Lyonnais
 Crédit Suisse The Dai-ichi Kangyo Bank, Limited The Mitsubishi Bank, Limited
 First Interstate Capital Markets Limited National Westminster Bank Group Mellon Overseas Capital, N.V.
 Security Pacific National Bank Société Générale Suntrust Banks Inc.
 Swiss Bank Corporation International Limited Westpac Banking Corporation

Co-Managed by

Crédit Commercial de France Monte dei Paschi di Siena The Sumitomo Bank, Limited

Tender Panel Members

Amro International Limited Bankers Trust International Limited Banque Nationale de Paris
 Chase Manhattan Capital Markets Group CIBC Limited Citicorp Investment Bank Limited
 County Bank Limited, London Crédit Agricole Crédit Commercial de France Crédit Lyonnais
 Credit Suisse First Boston Limited Dai-ichi Kangyo International Limited
 First Interstate Capital Markets Limited Goldman Sachs International Corp. Manufacturers Hanover Limited
 Mellon Overseas Capital, N.V. Merrill Lynch Capital Markets Mitsubishi Finance International, Limited
 Morgan Grenfell & Co. Limited Morgan Guaranty Ltd Morgan Stanley International, London
 Orion Royal Bank Limited Salomon Brothers International Limited Security Pacific Limited
 Shearson Lehman Brothers International Société Générale Sumitomo Finance International
 Swiss Bank Corporation International Limited Westpac Banking Corporation

Trustee and Swingline Agent

Security Pacific National Trust Company

Facility, Tender, and Paying Agent

Security Pacific National Bank
London Branch

U.S. \$60,000,000

THE MORTGAGE BANK AND
 FINANCIAL ADMINISTRATION AGENCY
 OF THE KINGDOM OF DENMARK
 (Kongeriget Danmarks Hypotekbank og Finansforvaltning)

GUARANTEED FLOATING RATE NOTES
 DUE 1990, SERIES 82



Unconditionally guaranteed by
 THE KINGDOM OF DENMARK

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 24th October, 1985 to 24th April, 1986 has been fixed at 8 1/2% per annum and that the coupon amount payable on coupon no. 6 due on 24th April, 1986 will be U.S. \$4,328.82

The Sumitomo Bank, Limited
 Reference Agent

NOTICE OF EARLY REDEMPTION

KANSALLIS-OSAKE-PANKKI

U.S. \$25,000,000 FLOATING RATE CAPITAL NOTES DUE 1989

NOTICE IS HEREBY GIVEN to the holders of the Notes that, in accordance with the Condition 5(c) of the Notes and pursuant to the provisions of the First Supplemental Trust Deed dated 18th May, 1982, made between the Issuer and The Law Debenture Corporation p.l.c. constituting the Notes, the Issuer will redeem all of the Notes then outstanding on the next interest payment date falling on 25th November, 1985, (the "Redemption Date"). The Notes will be redeemed at their principal amount plus interest accrued to the redemption date. Payments of principal and interest will be made on or after the redemption date at the specified office of any of the Paying Agents listed below, against surrender of Notes with all unsecured coupons attached. Coupon No 7 maturing on 25th November, 1985, should be presented for payment in the usual manner.

Paying Agents

Bankers Trust Company
 60 Old Broad Street
 London EC2P 2EE

Bankers Trust AG
 Dreikönigsstrasse 6
 CH-8022 Zurich

Bank of Belgium S.A.
 rue des Colonnes 40
 1000 Brussels

Bank of the Netherlands
 Boekenheimer Landstrasse
 D-6000 Frankfurt am Main

Bank of Luxembourg
 L-2530 Luxembourg

Nordfinanz-Bank Zurich
 1 Bahnhofsstrasse
 8001 Zurich

Bankers Trust Company, London
 Principal Paying Agent

24th October 1985

RORENTO

INTERIM REPORT

The Rorento Semi-Annual Report for the six months to 31st August is now available - an authoritative commentary on the worldwide investment climate.

The Report explains the strategy behind the actively managed portfolio, lists all holdings and gives key development and performance figures.

Rorento, with assets now totalling £1 billion, invests globally in fixed-interest securities. The income is re-invested and reflected in the value per share.

To: Rorento, Dept 374, PO Box 973, 3000AZ, Rotterdam, Holland.
 Please send me a copy of the Rorento half-yearly report.

Name _____
 Address _____

RORENTO
 The bond trust of the Robeco Group

Bank of Tokyo (Curaçao) Holding N.V.

GUARANTEED FLOATING RATE NOTES DUE 1993

Payments of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by

The Bank of Tokyo, Ltd.
 (Kabushiki Kaisha Tokyo Moko)

In accordance with the provisions of the Agency Agreement between Bank of Tokyo (Curaçao) Holding N.V., The Bank of Tokyo, Ltd., and Citibank, N.A., dated October 16, 1978, notice is hereby given that the rate of interest has been fixed at 8 1/4% p.a. and that the interest payable on the relevant interest payment date, April 24, 1986, against Coupon No. 15 will be US\$42.97.

October 24, 1985, London
 By Citibank, N.A. (CSC Dept.), Agent Bank

CITIBANK

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.
 on 21st Oct. 1985 U.S. \$102.72

Listed on the Amsterdam Stock Exchange

Information: Pierson, Hidding & Pierson N.V.,
 Herengracht 214, 1016 BS Amsterdam.

INTL. COMPANIES & FINANCE

JVC shows sharp drop in first-half earnings

BY YOKO SHIBATA IN TOKYO

VICTOR COMPANY of Japan (JVC), which in the past has drawn strong profits from its video cassette recorders (VCRs), has suffered a sharp drop in earnings, its first since 1983.

Pre-tax profits fell 37.2 per cent to ¥13.3bn (\$61.7m) in the first half to September, a deterioration attributed mainly to softer market prices of VCRs caused by heavy sales competition in a shrinking market.

Slack sales of information machines such as video display units were another factor.

Net profits were halved to ¥4.5bn from ¥9bn, on sales which at ¥306.5bn showed a fall of 1.2 per cent.

Turnover in VCRs, the company's mainstay product line, fell 7 per cent to ¥188bn

caused by a near 20 per cent cut in market prices. Shipments in January to August totalled 2.35m units and it appears unlikely that the company will match last year's total of 4.27m units. VCR makers' profit margins are under heavy pressure amid intensified price-cutting.

Audio equipment sales also slowed due to a delay in the full-fledged marketing of compact disc players. Information-related equipment sales were also stagnant, reflecting a slump in the U.S. personal computer market.

In the current half to March 1986, JVC plans to introduce a range of high-resolution VCRs. This, however, will not contribute to earnings until the following fiscal year.

Despite China's moves to curb imports of colour television sets, JVC expects a continued high level of exports because it sells in the form of knockdown kits.

In an attempt to halt a further deterioration in earnings, JVC is trimming its capital investment plans and putting other cost-cutting measures into effect in the current half. There appears, however, to be no scope for an early recovery in the consumer VCR market.

For the full year to next February, JVC's pre-tax profits are forecast to drop by 37 per cent to ¥27bn, with projected net profits of ¥10.5bn, down by 47 per cent. This is based on sales of ¥615bn, down by 5.1 per cent.

BHP options manoeuvre by Holmes a Court

By Michael Thompson-Nesbitt in Sydney

MR ROBERT HOLMES a Court yesterday unveiled another ingenious manoeuvre involving shares in Broken Hill Proprietary (BHP), Australia's largest company.

The Perth entrepreneur said Bell Resources, an offshoot of his master company, Bell Group, would issue 30m options over BHP shares to its own shareholders at 50 cents each. The options will give Bell Resources shareholders the right to buy BHP shares from Bell Resources at A\$8 each on or before next July 15.

The issue could yield A\$18m (U.S.\$10.6m) immediately for Bell Resources, plus a further A\$27m if the options are exercised.

Mr Holmes a Court said recently that Bell Resources held an interest in 13m BHP shares - about 11 per cent of the company - mostly in the form of option contracts. His complex dealings in BHP shares have already produced substantial profits, and generated intense speculation about his motives.

BHP seemed unworried by yesterday's announcement.

Bell Resources holds a 50 per cent stake in 70m BHP shares currently held by Adelaide Steamship, a fellow corporate raider. Yesterday's manoeuvre is thought to hold few perils for Bell Resources.

BHP shares closed 10 cents higher at A\$8.60 amid heavy trading, particularly among BHP October options, which helped push the Australian All Ordinaries Index 3.5 higher to a record close of 1048.

Singapore facility for Multi-Purpose

By Chris Sherwell in Singapore

SINGAPORE'S first revolving underwriting facility (RUF) for a Malaysian corporate borrower is to be signed today by Multi-Purpose Holdings, but at U.S.\$41m it is more than a third less than the originally planned U.S.\$65m.

Multi-Purpose, a predominantly Chinese investment holding company, includes among its 200 subsidiaries and associates such companies as Dunlop Estates, Malaysian French Bank, Magnolia Corporation, Mulpha International Trading Corporation and Bandar Raya Development.

It is understood that the size of the RUF was cut by Bank Negara, Malaysia's central bank, even though banks were willing to lend significantly more than U.S.\$65m.

A RUF allows a corporate borrower to raise money through a panel of banks which bid for its notes. Underwriting banks stand ready to supply funds not furnished by the tender. Multi-Purpose wants the facility to refinance existing borrowings and to finance further investment in Malaysian French Bank.

Seiyu profits

SEIYU, the Japanese supermarket chain, made profits both in 1984-85 and the first half of the current year. It was incorrectly stated in the Financial Times of October 22 that Seiyu was in the red the previous year. As the accompanying table indicated, pre-tax earnings for the six months to August 1985 rose 25.6 per cent to ¥3,85bn (\$18m).

Korea to allow foreign bonds

BY STEVEN B. BUTLER IN SEOUL

SOUTH KOREA'S Ministry of Finance is putting the final touches on regulations that will allow Korean companies to issue convertible bonds in overseas markets for the first time. The belief is that an announcement is imminent has been strong enough to prompt a rally on the Seoul Stock Exchange.

The market has returned to levels not seen since January, after having languished through the year because of sluggishness in the economy.

The ministry has made no formal announcement, but according to drafts of the regulations circulating earlier, only Korea's largest companies, with issued capital in excess of 40bn won (\$45m) would be eligible to issue bonds for up to 20 per cent of their outstanding shares.

Local securities firms have been queuing to participate in underwriting the issues on the expectation that foreign interest would be keen. The Korean Government has so far authorised only indirect foreign

investment in the equity market through international trust funds which total \$200m.

The issues have been well received, with many investors believing that the Korean market, with price earnings ratios of about five, may be poised to take off.

The Government, however, has been nervous about allowing greater foreign access in the market before it becomes more mature. The market is still thinly capitalised at about \$6bn.

NZ Stock Exchange to ease rules

THE NEW ZEALAND Stock Exchange plans to liberalise some of its rules to allow more access to non-members. Reuter reports from Wellington.

Mr Rex Pearson, president of the exchange, said non-brokers would be allowed to own up to half of a stockholding firm, provided a majority of the board were exchange members.

Brokers will also be able to merge with foreign or New Zealand securities firms and establish as many outlets as they wish. In addition, they will be allowed to incorporate, with a minimum paid-up capital of NZ\$500,000 (US\$291,400). Advertising rules are being repealed.

The changes are subject to government approval.

Overseas investors plan boosts Taiwan shares

TAIWANESE share prices have risen sharply following a proposal by the Securities and Exchange Commission (SEC) to allow direct investment by foreign institutions on the local stock market, Reuter reports from Taipei.

The exchange's weighted price index rose to 778.54 yesterday from 717.53 a week ago. In July the index dipped as low as 636.02 compared with a 969.25 peak in May 1984.

Mr Chang Chang-pang, an SEC official, said a meeting would be held next Tuesday to discuss regulations governing securities investment from overseas and procedures for foreign exchange remittance. Mr Chang said the meeting, sponsored by the SEC, would

be attended by officials of the finance and economics ministries and the central bank. Earnings on overseas equity investments would be tax exempt and not subject to foreign exchange control, but profits could not be remitted until a year after the investment, he said.

Mr Chang said that if the new proposal is adopted, foreign companies would be thoroughly screened before being allowed to invest. Individuals would not be allowed to invest directly.

The Taiwan stock market was partly opened to foreign investors in October 1983 when an offshore investment fund was set up for indirect investment. The fund has so far raised US\$81m.

Asea acquires control of Stockholm stockbroker

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

ASEA, the Swedish electrical engineering group, has bought 100 per cent control of Winston Hakansson and Co, a Stockholm stockbroker.

Asea is the second of Sweden's large cash-rich corporations to establish a subsidiary in international banking operations and at the same time to have moved more deeply into the financial services sector.

Volvo, the motor vehicles, energy and food group, and Scandinavia's biggest industrial corporation, set up its own internal "bank" earlier this year. A. B. Fortos, with an equity of SKr 500m (\$62m), which makes it larger than all but the biggest banks in Sweden.

A. B. Fortos, which is becoming one of the biggest operators in the Swedish money markets and which also handles Volvo's foreign exchange business, is the parent company for Volvo's other financial interests which include Alfa Romeo, the Stockholm stockbroker.

Volvo, along with Skanska, Scandinavia's biggest construc-

tion group, also controls indirectly another broker, Jacobson and Ponsbach.

Asea said the acquisition of Winston Hakansson was "a natural step in the group's strategy to establish a new business area" in financial services.

In June it announced that it was forming a subsidiary, Asea Kapitalförvaltning, to manage its liquid assets in Sweden amounting to more than SKr 6bn.

The original intention was that this subsidiary, which would also handle Asea's foreign exchange transactions, would itself acquire a money market dealing licence allowing it to take on business external to the Asea group.

With the acquisition of Winston Hakansson, Asea has now dropped this idea. Asea Kapitalförvaltning will manage the group's own cash resources.

Mr Lars Thunell, Asea executive vice-president who joined the group as finance director in 1983, is to become chairman of the brokerage.

Japanese bank in China fund venture

By Our Financial Staff

BANK OF CHINA, the Chinese central bank, has linked with Hokkaido Tokai-shoku, one of the smaller Japanese commercial banks, to set up a joint \$220m fund to promote industrial development in Shenzhen, the special economic zone bordering Hong Kong.

The two have injected equal amounts into the fund, to be called the Shenzhen Industrial Development Credit Fund, which they said was planned to be increased to \$500m.

It has been set up through Bank of China's Shenzhen branch and Takung International (Asia), an offshoot of the Japanese bank.

Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers

8 Lovat Lane London EC3R 8BP

Telephone 01-621 1211

Over-the-Counter Market

High	Low	Company	Price	Change	Div. (p)	%	Actual	Yield
146	123	Ass. Int. Ind. Bld.	131	—	6.6	9.0	7.3	6.7
151	139	Ass. Int. Ind. CUL	141	—	10.0	7.2	—	—
77	43	Airpurg Group	57	+1	4.4	11.2	9.5	12.4
162	108	Armstrong & Rhodes	112	—	4.3	8.6	—	—
162	108	Burton Hill	162	—	1.2	2.0	21	21
84	42	Bay Technology	67	—	3.8	6.8	7.0	9.0
201	155	CCL Ind. Corp. Pl.	155	—	12.0	7.7	3.8	3.8
152	104	CCL Typ. Corp. Pl.	104	—	16.7	10.1	—	—
130	10	Carborundum Ind.	125	—	4.8	3.8	6.2	8.7
82	83	Carborundum 7.5% P.	82	—	10.7	11.8	—	—
73	48	Osborn Services	52	—	7.0	13.5	5.4	7.1
182	182	Frank Horrell	182	—	1.4	0.0	17.3	25.3
602	170	Frank Horrell Pl. Ord	602	—	4.3	3.3	13.3	13.3
32	21	Frederick Perker	21	—	—	—	—	—
53	53	George Blair	53	—	—	—	—	—
50	20	Ind. Precision Castings	44	—	3.0	8.8	11.6	9.7
138	177	Isis Group	180	—	15.0	7.8	14.8	21.8
124	171	Jackson Group	107	—	10.0	10.0	—	—
285	213	James Burrough	258	+4	15.0	5.9	6.0	6.0
54	53	James Burrough Spc Pl.	54	—	12.8	13.7	—	—
85	85	John Howard and Co.	84	—	9.0	8.9	9.7	10.0
225	100	Linguaphone Ord.	180	—	—	—	6.8	6.8
100	100	Linguaphone 10 Spc Pl.	30	—	15.0	16.7	—	—
650	300	Merhouse Holding NV	570	—	2.1	2.2	24.2	23.7
120	31	Robert Jenkins	79	—	—	—	10.3	22.8
60	28	Scruttons "A"	31	—	5.0	7.4	3.4	7.9
112	81	Torday and Carlisle	68	—	—	—	—	—
444	320	Trevian Holdings	320	—	4.3	1.3	16.2	17.9
117	97	Univest Holdings	35	—	2.1	9.0	9.8	9.8
113	97	Walter Alexander	110	—	8.0	8.0	—	—
247	195	W. S. Yates	200	—	17.4	6.7	6.7	9.8

Prices and details of services now available on Prater, page 4914

FINANCIAL TIMES

CHANNEL ISLANDS SURVEY

DECEMBER 18 1985

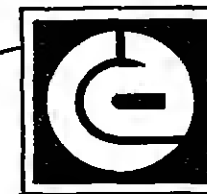
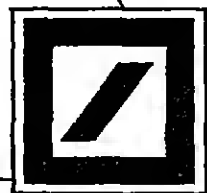
For further details, please contact:

BRIAN HERON on 061-834 9331 TELEX 666513

FINANCIAL TIMES

Europe's Business Newspaper

The Ebic banks: your partners in financial circles



Strength. Reliability. Innovation. Experience.
Important considerations when you're choosing a bank.
Ebic brings together seven such banks. Seven major,
European banks with assets of some \$400 billion. Seven
banks with 10,000 branches, subsidiaries, associates
and joint ventures throughout the world. Seven banks that
have been co-operating for a quarter of a century.

ebic
European Banks International

EUROPE'S MOST EXPERIENCED BANKING GROUP

INTL. COMPANIES & FINANCE

U.S. mortgage banker discovers a natural partner in insurance

BY MARY FRINGS IN DALLAS

DALLAS-BASED Lomas and Nettleton Financial Corporation, the largest mortgage banking company in the U.S., this month revealed plans to quadruple the size of its insurance operation with the agreed \$88.4m purchase of Jefferson National Life Insurance Company of Indianapolis.

The acquisition, which still requires the endorsement of Jefferson shareholders and of the Indiana Insurance Commission, will be a particularly good fit, since L and N has a natural market for insurance in its 700,000 mortgage customers and Jefferson will supply the administrative capability to write more business directly.

L and N is one of the few independents in the U.S. mortgage sector. Its \$20bn loan administration portfolio puts it nearly \$2bn ahead of its nearest rival, which is a subsidiary of General Motors. It is not a bank. Nor does it compare with a UK building society since it has no depositors and the core of its operations, in terms of revenues, profitability and stability, is mortgage servicing rather than long-term funding.

Basically, it originates loans to single-family home owners, builders and real estate developers, and "warehouses" them for up to 60 days before marketing them to its 860 institutional investors, who include mutual savings banks, life insurance companies, savings and loan associations, pension funds and commercial banks, as well as government agencies.

L and N is the largest mortgage service for the Federal National Mortgage Association ("Fannie Mae") and the largest issuer of securities backed by the guarantee of the Government National Mortgage Association ("Ginnie Mae"). Its portfolio for the year ended June 30 included \$18.3bn of mortgages on single-family dwellings and \$1.9bn of commercial and multi-family properties, of which it would be warehousing \$300m-\$500m at any one time.

While mortgage banking activities employ 59 per cent of the company's assets of \$1.32bn and produce 48 per cent of net income, another 23 per cent of assets is employed in short-term lending for the acquisition of land, and for development and construction. This contributes 23 per cent of net operating income.

Typically, short-term real estate and construction loans made jointly are 20 per cent for the company itself and 80 per cent for Lomas and Nettleton Mortgage Investors (LNM), for which it serves as manager and investment adviser. LNM is an unincorporated investment trust with total capital and credit resources of \$500m. It is headed by the chairman and chief executive of MCorp, the fourth largest bank holding company in Texas, which had been associated with L and N since its inception.

About \$125m, or 10 per cent of L and N's assets, are used in developing real estate for sale either to professional builders or to institutional investors, with a net income contribution of 14 per cent. The company also has a small participation (0.1 per cent) in the \$51m capital of L and N Housing Corporation, which finances condominium developments.

Two new companies have been set up under L and N management this year. In May, the sale of limited partnerships netted capital of \$29.5m for Lomas and Nettleton Institutional Mortgage Fund, which

will invest in participating loans secured by first mortgages on income-producing commercial, retail and industrial property.

In September, a highly successful public offering of 5.6m \$20 shares generated more than \$111m (after underwriting costs) for Lomas Mortgage Corporation (LMC) which will invest in long-term fixed rate mortgages secured by single-

reinsurer.

The consolidation of this subsidiary into Jefferson National Life, which has 310 staff in its Indianapolis head office, as well as 1,000 agents nationwide, means that L and N will be able to handle an increasing proportion of direct business as current treaties run out. The combined assets of the two companies will amount to \$365m, revenues to \$100m (including \$30m in investment income) and insurance in force to \$6bn.

Jefferson has capital of \$80m and the agreed purchase price is 1.4 times book value. This is reasonable, according to Mr Kenneth W. Phillips, LFSIC president, since the going rate for insurance companies at present ranges from 1.4 to 1.7.

Although L and N points with pride to 12 years of uninterrupted growth and a 21 per cent improvement in net income for fiscal 1985, the mortgage banking division's profit margin declined from 23.7 per cent to 21.8 per cent. This was attributed partly to "market and competitive forces."

The reorganisation has been completed and is apparently paying off. The company's forecast of a 75 per cent increase in single-family mortgage production, together with revenue and net income growth of 18 per cent and 20 per cent for fiscal 1986, is "right on target" in the first quarter, according to Gary White, the senior vice-president-in-control.

Net income of \$11.128m, compared with \$9.201m for the first quarter of fiscal 1985, is a 20.9 per cent improvement. It represents fully diluted earnings per share of 63c, up 15 per cent on the comparable figure last year.

L and N is one of the few independents in the U.S. mortgage sector. Its \$20bn loan administration portfolio puts it nearly \$2bn ahead of its nearest rival

Japan finds foreign bond sales 'over-aggressive'

BY CARLA RAPOPORT IN TOKYO

A TOP Ministry of Finance official has criticised the over-aggressive selling tactics of some foreign bond salesmen in Japan.

According to Mr Toyoo Gyohien, director-general of the International Finance Bureau, Japan's increasing appetite for foreign bonds is in part due to the eagerness of many of its small corporate and individual investors. Sales of foreign bonds

in Japan in July leapt to \$8.4bn, from \$6.8bn in June. Sales for the whole of fiscal 1985 were \$20.5bn.

"We are worried about the tactics of some foreign bond salesmen," Mr Gyohien said. "When individual and small corporate investors are offered foreign bonds, he said, many salesmen only describe the higher interest rate that the bond will earn. "I doubt if they

mention the exchange rate risk," he said.

Earlier in the summer, the MoF issued a warning to investors on potential exchange rate risk. "During the summer period," he said, "we noticed an aggressive push to individual corporations and small investors. We could sit back and let them decide about their own investments. But in the

long tradition of financial order in Japan, we decided to speak up."

"If they suffer great loss because of reckless investment advice, this will become a kind of social/political issue. Even when small companies fail, regulatory agencies (in Japan) are blamed. We are trying to change this climate," he said, but such changes take time.

Let's talk about... MONEY

Funding the telecommunications of the future

In 1985, according to estimates, telecommunications Administrations around the world will spend about US\$80 billion on new equipment. Some of that expenditure will be to replace obsolete or worn-out systems. Most of it will be to expand networks, or to add the advanced services which subscribers increasingly expect.

As new technology continually opens up new telecommunications opportunities, keeping up is an expensive business.

It's also a complex and difficult business. Modernizing and expanding networks cost-effectively takes all the experience and skill the telephone companies have been building up to over a century. Mistakes - as some countries have discovered - have very costly long-term effects.

Only profitable Administrations with resources in depth can handle the future of a country's vital telecommunications.

Here's how Ericsson can help

To help Administrations generate the profit necessary for investment in the network's future, Ericsson offers a unique three-part package.

A genuine 'total network' planning and supply capability.

The AXE switching system, which reduces present and future costs.

The ability to incorporate useful, income-building services into the system, easily and quickly.

Planning for profit...

Ericsson has the capability to make, supply and install total networks: transmission, switching, operation and maintenance, hardware and software.

Just as important, we have unrivalled network-planning skills and experience. To date, we've designed all or part of over 100 metropolitan networks, and provided the comprehensive training and long-term support essential to a healthy telecommunications system.

Ericsson maintains field support offices in dozens of countries around the world. And our engineers in Stockholm can simulate the operation of any AXE telephone exchange anywhere.

Cost-cutting flexibility

Ericsson's AXE exchange has been ordered by over 100 Administrations in 60 countries. A total of 1,200 exchanges are on order or installed.

These telephone exchanges may be local exchanges, transit exchanges, international or mobile, metropolitan or rural exchanges - all performing different functions in different ways. Astonishingly, with Ericsson's AXE system, the same basic hardware and software structure handles them all.

It makes a lot of financial sense when you consider the savings which a common system offers in terms of training, installation and operation and maintenance.

Income-building services

The bulk of an Administration's revenue will tend to come from large organizations and business subscribers. So the level of income will depend to a large extent on the range of services which can be offered to these subscribers.

AXE is designed as a functionally modular software system. Combined with this inherent adaptability is the fact that new applications are constantly being developed for AXE's world-wide markets.

The result is a ready availability of proven services, which can be incorporated into the system with minimum cost and inconvenience.

Most significant today is cellular mobile telephony. Ericsson is the world leader in this exciting growth area. Ericsson designed and constructed the world's largest cellular mobile network, and has over 440,000 mobile lines on order or installed in 15 countries. We know more than anyone about implementing practical, profitable mobile networks.

As a next step, telephone companies with AXE will be able to offer their subscribers an Integrated Services Digital Network (ISDN) - a single integrated network that can handle voice, data, text and image. In 1984, Ericsson demonstrated the ISDN in a commercial environment in Venice.

Keep in touch

If your work involves telecommunications, or if you simply have an interest in the subject, just complete the coupon below.

As well as our latest brochure, we'll send you a copy of the latest issue of *Connection* - the Ericsson magazine which keeps you in touch with telecommunications developments.

ERICSSON

To: Telefontekniska bolaget LM Ericsson, Public Telecommunications Division, S-126 25 Stockholm, Sweden.

Please send me the latest issue of *Connection*.

Name _____

Title _____

Organization _____

Address _____

City _____

State/Country _____

Postcode _____

Telephone _____

Type of organization ☐ Telephone Administration ☐ Business/Finance/Consultant ☐

Education ☐ Government ☐ Supplier of telecommunications equipment ☐

Other (please specify) _____



FT 5 08 407

UK COMPANY NEWS

KIO has 8.49% of Royal Bank of Scotland

By Frank Kane

The KIO Investment Office yesterday revealed that it has a stake of 8.49 per cent in Royal Bank of Scotland, built up via the purchase of 14.06m shares which are understood to have come from Lloyds bank.

At yesterday's closing price of 290p, up 6p, for Royal Bank the shares would have cost just over £40m. Lloyds announced last week that it had sold the stake, but declined to disclose the purchasers. Their identity was apparent last night because when added to the KIO's existing 3.53 per cent holding the total stake topped the noticeable 5 per cent level.

The shares have made the round trip from the KIO to Lloyds and back to the KIO since December 1983, the date of the original Lloyds purchase.

Speculation about a possible bid for the Royal Bank has persisted since 1981 when the Monopolies and Mergers Commission ruled against two £500m takeover attempts from Standard Chartered Bank and the Hong Kong and Shanghai Bank.

It does not seem, however, as though the KIO stake will be used as a springboard to any future offer. It has held Royal Bank shares for some time, and also has a holding of 9.16 per cent in the Bank of Scotland.

Last week's Lloyds sale was prompted by an undertaking given by the bank in June last year to the director-general of Fair Trading, intended to avoid a referral of the Lloyds stake which then stood at just over 21 per cent to the Monopolies Commission.

It also said then that its original purpose in acquiring the holdings had been achieved in June 1984 when the Royal Bank agreed to sell Lloyds its 39.3 per cent of the Lloyds and Scottish finance house.

BREMNER's offer for Phillips Patents has become unconditional following acceptance in respect of 2.4m shares (85.26 per cent). Bremner held 530,000 shares (13.09 per cent) before the offer and has not acquired or agreed to any further shares. The offer remains open until further notice.

L & G takes 8% stake in Connells estate agency

By Eric Short

Legal & General Group, Britain's second largest life company, has taken an 8 per cent stake in Connells Estate Agents in a deal worth £1.5m.

The company has acquired 963,773 ordinary shares from various family shareholders in Connells.

However, L & G emphasised that this move was in the nature of a long-term trade investment. It did not represent a move towards the group becoming directly involved in the estate agency market or expanding into the provision of mortgage funds.

Not was it a move to boost sales. This was confirmed by Mr John

Simson, chairman of Connells. He pointed out that Connells was still very much a family business, although it is publicly quoted, with the majority of shares held by relatives of the founders of the business.

It had been arranged that when members of the family wanted to realise part of their shareholdings, this would be done on a concerted basis and Connells would find a friendly, passive buyer for the vast majority of the shares.

L & G has a long standing relationship with Connells and was willing to take the stake.

Connells has a thriving insurance broking business in connection with its estate agency operations. However, Mr Simson and L & G said the independence of this business would not be affected.

Connells operates mainly in the northern Home Counties of Bedfordshire, Hertfordshire and Buckinghamshire. It is following a policy of expansion and has recently acquired businesses in Sussex, Surrey and London, with plans for further developments.

Connells's shares rose 15p to 165p on the announcement, while L & G rose 4p to 702p.

Elders discloses bid vehicle structure

By Martin Dickson

ELDERS IXL, the Australian company which this week launched a £1.8bn takeover bid for Allied-Lyons, last night issued a formal statement giving the structure of IXL — an unlimited English company set up as a vehicle to make the bid.

The move follows complaints to the Takeover Panel by Allied, the food and drinks group, that Elders had failed to reveal the true ownership of IXL and that Allied therefore did not know who precisely was making the bid.

The statement confirms that the bid through a two year sterling loan, led by Citibank of the U.S., have a 58 per cent stake in IXL.

Elders holds call options which enable it at nominal cost to take full ownership of IXL, but yesterday's statement makes clear that the call options given by the banks covering their 58 per cent can only be exercised "following repayment of their loans."

The remaining 42 per cent of IXL is held partly by Elders (49 per cent) and partly by two former directors of Elders companies, Mr Bob Cowper and Mr Richard Wiesener. Elders says the structure means in effect that it alone has the "ultimate economic interest" in the offer.

Last night's statement — which does not name the banks involved in the bid, nor give a detailed breakdown of their interests, is not expected to satisfy Allied, which is demanding much fuller disclosure.

David Goodhart on the bid for SGB BET hopes to buy scaffolding to strengthen reconstruction



Mr Nicholas Wills, chief executive of BET

BET's £108.4m all-paper offer for SGB came as a rude shock yesterday to C. H. Beazer and pulled the rug very firmly from under its cash tender offer for 25 per cent of the scaffolding company.

But BET watchers will not have been too surprised. The international services company, formerly known as British Electric Traction, has been one of the most active companies in the UK in the buying and selling of subsidiaries over the past three years, and in the process has nearly doubled its share capital.

It has also gone some way in transforming its old image of a rambling, directionless, giant. The important watershed was in early 1982 when Mr. Hugh Dundas took over as chairman and Mr. Nicholas Wills as managing director.

The new leadership took a long look at the company and decided on a reconstruction strategy aimed at ridding itself of minority shareholdings, slimming down areas of operation from 12 to five and concentrating firepower on market leader businesses.

Divestments have covered North Sea oil, TV rentals (Redifusion), and open cast mining. As recently as Tuesday it announced it was selling a 75 per cent stake in the small film processing company Humphries Holdings.

Major acquisitions have included Hospital Publications of New York in May 1984 for £18m; Farm Press of Mississippi for £16m in July 1984; Anglian Windows for £27m in September 1984; UBM Scaffolding for £6m in October 1984; and the 58 per cent of initial (Britain's largest laundry company) it did not already own was bought for £170m in March of this year.

According to BET the tally since March 1982 has been £390m in acquisitions and £256m in divestments (including the sale of its headquarters). Mr. Neil Ryder, head of BET Investor Relations, claims that 75 per cent of the company's capital is now invested in market leading companies.

ing to BET, the merging of SGB into Plant Services would "balance out the two."

More important, however, the plant services division is one area where BET admits it does not have market leadership.

It is already seeking to bolster its crane hire operations — currently represented by Cryston White — through the £6.2m bid for G. W. Sparrow and Sons.

But the acquisition of SGB would clearly be of a different order in relation to the existing BET Access, scaffolding, lift plants, self-assembly, company. The third company in plant services is Addison, a folk lift truck operation.

The combination of Access and SGB would give BET at least 20 per cent of the UK market. It is a market worth over £500m a year but has become increasingly competitive with over 1,000 small independent operators now accounting for up to half — as SGB has discovered to its cost.

BET, which has been looking at SGB for nearly 18 months, naturally pours scorn on its management and claims it could quickly stem the fall in market share. Whether that is the case or not there is certainly commercial logic in the bid and the immediate benefits of synergy are estimated by Mr. Mike Murphy of Quiller Goodson at around £5m.

There is, however, at least a likelihood of reference to the Monopolies and Mergers Commission — primarily because of market share in scaffolding. In other areas BET says it is prepared to sell SGB's ladder manufacturing business "as this, combined with BET plant services, is the only area where the merged businesses would have a commanding market share."

BET also says: "HSS tool hire will add a profitable new dimension to its existing hire activities while SGB's other UK non-scaffolding interests are profitable and a review would be made of its overseas activities."

See Lex

LRC rubber group to change name

LRC International, the consumer and rubber products group which went through a major boardroom upheaval earlier this month, is planning to change its name to London International Group.

It was originally known as the London Rubber Company and changed its name to LRC in 1983.

It said yesterday it had been considering for some time adopting a new name which would "more closely reflect the size and international scope of the group today, while retaining important elements of the company's heritage."

LRC's products include Durex contraceptives, Royal Worcester Fine China and Wrights soap.

Three non-executive directors resigned earlier this month in a dispute over boardroom changes.

Carlton may dispose of publishing interests

By Martin Dickson

Carlton Communications, the fast-growing television services company which was thwarted earlier this month in a bid for Thames Television, is discussing the possible sale to Barham Group of its publishing interests, including the Fleet Street Letter, a share tip-sheet.

It was the acquisition of Fleet Street Letter, through a reverse takeover in February 1983, which first gained Carlton an official listing.

However, the rapid extension of its video services and television production operations means publishing accounts for a very small part of its turnover.

Its other publications include The USM/OTC Review, the Penny Share Guide and the New Issue Share Guide.

Shares in Barham were suspended last week pending a "major acquisition." Barham was created in 1983 out of the shell of Dollands Photographic and has been transformed into a property investment and media company.

It believes Carlton's publications side would fit in well with its advertising agency and its computerised typesetting subsidiaries. Negotiations are likely to take at least two weeks.

Carbury deeper in red

Carbury Resources, oil and gas exploration company, fell deeper in the red with losses of £144,500 in the half-year to June 30 1985. In the corresponding period last year, the losses were £128,150.

First-half operating revenues were lower at £45,580 compared with £56,990, but the directors say revenues for the current

period show an improvement over the second half last year, and a continuation of this trend is expected for the remainder of the year.

Carbury is to acquire interests in prospective oil and gas leases and a development drilling programme in the U.S. under a new agreement with KRM Petroleum.

IIT Jersey growth plan

A RIGHTS issue, interim results and details of a complex reconstruction of an associate were yesterday unveiled by the International Investment Trust Company of Jersey (IIT).

Over half of IIT's net tangible assets stem from its interest in R.E.A. Holdings and because of this the directors say it is desirable and in line with initial objectives to expand the asset base through the rights issue, which will raise £1.67m net.

The rights are on the basis of 12 cumulative 13 per cent redeemable preference shares (and one warrant) at £12 for every 10 ordinary.

IIT's profits for the first half of 1985 fell from £770,000 to £261,000 and, after tax, there was a net loss of £26,000 against a £214,000 profit.

Most of the downturn stemmed from plantations, where profits

fell from £997,000 to £499,000, and from associates which turned a higher loss of £155,000 (£91,000).

The reconstruction involves Para, in which IIT has a 43 per cent stake. The plan is to dis-solve Para, use its assets, undertakings and liabilities transferred to a new company ORPL.

ORPL will then be expanded via a placing of shares with IIT and other investors to raise £15m. Of the expansion proceeds £31.5m (£760,000) will be invested in Canarichon (formerly Pominex).

IIT will eventually own 45 per cent of ORPL and it is proposed that the group and ORPL should each subscribe £31.5m for new common shares of Canarichon, which then pay cash for certain listed securities held by IIT with a current market value of £614,000.

REA Holdings sharply lower

REA Holdings, the rubber trading, freight and handling group, suffered a sharp downturn in the first half of 1985 with current cost pre-tax profits emerging at £142,000 compared with £783,000.

The group, which is a 61 per cent owned subsidiary of the International Investment Trust Company of Jersey (IIT), was hit on the plantations side, where profits dropped from £997,000 to £499,000, and from higher associate losses of £155,000 (£91,000).

The interim dividend, however, is being maintained at 1p and both the company's directors and IIT are optimistic for the future.

On the plantations side, there was a considerable reduction in contributions during the first half from Bangladesh tea operations, and the usual higher incidence of profits in the second half will probably be less pronounced due to lower current tea prices.

Continental Asset oversubscribed

Applications for Ivory and Sime's 15m share float of Continental Asset Trust closed yesterday with a one-fifth oversubscription. Investors applied for 14.62m shares (with warrants) the 100p offering price.

The trust's shares have been allocated as follows (just over 5m went to preferential applicants). Those seeking between 1,000 and 2,000 shares will receive the full amount, up to 2,600 shares receive 2,000, up to 10,000, three-quarters of what they had applied for and over that 68 per cent.

Dealings will commence on October 29 and until December 4 will be in units of five ordinary shares plus one warrant. Thereafter, the shares and warrants will be traded separately.

The major founding subscribers to the issue were European Assets Trust (25 per cent), A.G. de 1824 Compagnie Belge d'Assurance Generale Vie (5.3 per cent) and Bank of Scotland 1976 Pension Scheme (1.3 per cent).

LADBROKE INDEX
1054-1055 (+9)
Based on FT Index
Tel: 01-427 4411

DIVIDENDS ANNOUNCED

	Current payment	Date	Corresponding dividend	Total last year
Ambrose Inv. Int.	3.36p	Dec. 5	3	8.82
Anglo-Indonesian Int.	2.5p	Nov. 2	2	7
Bankers Inv Trst 3rd Int	0.5	Nov. 30	0.4	2.28
Barrington Ind. Int.	0.4	Feb. 7	0.3	1
Clive Discount Int.	0.4	Nov. 25	1.4	2.3
Edam Int.	1.15	Jan. 3	0.9	2.05
French Connection Int.	1.75p	Dec. 1	1.75	5.25
Heard & National Int.	0.7	Dec. 4	3	13.2
Hemra Int.	0.7	Nov. 29	0.7	2.8
Hunting Int.	3.5	Dec. 13	2	5.5
F. & C. Lilley Int.	1.26	Nov. 29	1.2	3.64
London & Nith. Int.	2.1p	Jan. 6	1.85	4.9
Marlborough Prop. Int.	0.23p	Dec. 3	0.2	0.55
Plant & Gen. Inv. Int.	2.2p	Jan. 10	2	5
Prestwick Ridge. Int.	0.7	Dec. 23	0.7	5
R.E.A. Holdings Int.	1	May 1	1	2
Ruo Exs. Int.	3	Dec. 2	4	16
Scottish Mrt & Tsl. Int.	3.2	Dec. 3	3.2	7.5
Sees, Tsl. Scotland Int.	1.6	Dec. 2	1.5	3.1

Dividends shown pence per share except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

§ Unquoted stock. ¶ To reduce disparity.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

BREMNER p.l.c.

(Registered in Scotland No. 15905)

£528,000 10% Convertible Unsecured Loan Stock 1985 at par to be allotted pursuant to an offer by Williams de Broe Hill Chaplin & Company Limited on behalf of Bremner p.l.c. for the whole of the issued share capital of Phillips Patents (Holdings) PLC not already owned by Bremner p.l.c.

The Council of The Stock Exchange has admitted to the Official List the above-mentioned Loan Stock

Particulars of the Loan Stock are available in the Statistical Services of Exel Statistical Services Limited. Copies of the Listing Particulars dated 1st October 1985 published in connection with the Offer may be obtained from the Company Announcements Office, The Stock Exchange, Throgmorton Street, London EC2P 2BT, for the two business days following the date of this notice and, during normal business hours on any weekday (Saturdays and public holidays excepted), for 14 days from the date of this announcement from:

Williams de Broe Hill Chaplin & Company Ltd. 44 Glassford Street Pinner's Hall Austin Friars London EC2P 2HS

Bremner p.l.c. 44 Glassford Street Glasgow G1 1UW

Alexander Stone & Co. 4 West Regent Street Glasgow G2 1RW

Dated 24th October, 1985

Clive Discount Holdings PLC

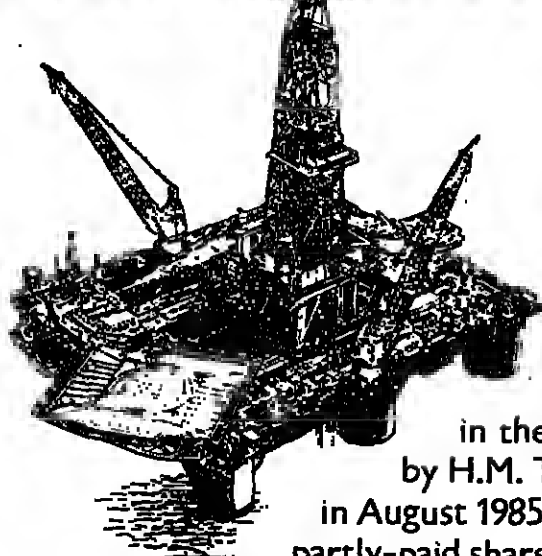
Interim Statement

The Directors of Clive Discount Holdings PLC have pleasure in declaring an interim dividend on the ordinary shares of the company of 0.50 pence per share (equivalent to 0.714 pence per share including the tax credit applicable to United Kingdom shareholders) in respect of the year ending 31st March 1985, shareholders in respect of the interim dividend of 1.40 pence per share (equivalent to 2.00 pence per share including the tax credit) for the year in 31st March 1985.

The company broke even before taxation for the period, during which conditions in the short-term markets have been, and remain, difficult. In view of this result, the Directors feel unable to recommend payment of a special interim dividend referred to in the letter to shareholders dated 17th May 1985.

The dividend will be paid on 25th November 1985 to shareholders registered at the close of business on 7th November 1985.

1 Royal Exchange Avenue, London EC3V 3LU. Tel: 01-283 1101.

Britoil plc
Second Instalment

This is a notice to those holding partly-paid shares in Britoil plc. If you bought shares in the offer of shares in Britoil by H.M. Treasury which took place in August 1985 or if you have bought partly-paid shares in Britoil since then, you are reminded that the second and final instalment of 85p per share is due shortly.

You should ensure that your cheque or bankers' draft arrives not later than 3.00pm (London time) on 1st November, 1985. If your payment is for £10,000 or more, it must arrive sufficiently early to be cleared by that time. All cheques or bankers' drafts should be made payable to "National Westminster Bank PLC" and should be crossed "Britoil Offer".

You should send your cheque or bankers' draft and the letter of acceptance for your shares to the address shown on page 3 of your letter of acceptance.

Please remember that if you fail to pay the final instalment you are liable to forfeit your shares and may receive no repayment of the first instalment.

Britoil

Issued by Lazard Brothers & Co., Limited on behalf of H.M. Government.

THORN EMI OPTIONS
DEAL NOW

FOR INFORMATION, CALL 01-588 2355 EXT. 28727

UK COMPANY NEWS

London & Northern hit by interest

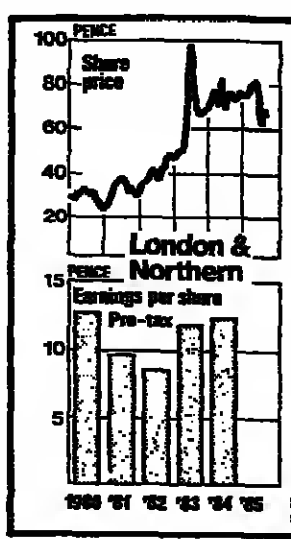
HIGHER INTEREST charges have limited the profit growth at the London & Northern Group of construction, healthcare and energy-related companies. For the first half of 1985 the profit has risen by \$469,000 to £7.94m.

Turnover expanded from £108.77m to £147.78m while the profit before interest moved ahead from £3.48m to £10.91m. Interest charges, however, were nearly trebled to £2.97m.

The directors are expecting profit for the second half to show an increase over that reported, before taking account of any provisions relating to proceedings against the company in respect of a Middle Eastern project. These could amount to £15.5m before tax relief.

They are meeting their promise of an interim dividend raised from 1.55p to 2.1p net. Total for 1984 was 4.9p when profits before tax reached £11.95m.

In respect of the Middle Eastern project, the directors recall that judgment has been given against a group company for the full amount of some £15.25m claimed in respect of the period to January 1985 — this is being appealed against. Further amounts may become payable if the judgment is upheld on appeal and this could lead to



additional provision of £10.5m.

Proceedings relate to fees allegedly due to a third party in respect of a project in which the group company has a minority interest. The original provisions and expected provisions totalling £2.1m were based on Leading Counsel's advice that fees, if payable, would only be payable in respect of sums actually

received or expected to be received by the group company from the consortium carrying out the project.

In the event judgment was given in August on the basis that fees are payable by the group company in respect of the total value of the project. The £2.25m has been paid into escrow pending appeal.

Leading Counsel has confirmed his earlier opinion in accordance with which, if the appeal is successful, the case would go to arbitration and upon which the provisions totalling £2.1m were based. Further advice has subsequently been obtained from separate Leading Counsel who is of the opinion that the appeal should result in the matter being referred to arbitration.

Every effort is being, and will be, made to mitigate the possible effects of the proceedings including the establishment of third party proceedings if relevant.

In the half-year there were increased sales in the healthcare division and improved activity in engineering and metals interests. Healthcare again made a substantial contribution to results.

Group profits have expanded from £306,000 in 1981 to £1.6m in the year to January 1985, while sales have grown from £14m to £30m. The company is forecasting profits of £2.5m, which would put the shares on a prospective price-earnings multiple at the minimum tender price of 20.5, after an estimated tax charge of 38 per cent. The yield is 2 per cent.

The application list opens on 29th October and dealings are expected to start on November 5.

Such is the demand in the City for retailers in general, and for young, expanding, specialist

retailers in particular, that the striking price for Underwoods is bound to be set at a fat margin over the minimum tender. Indeed, with only a small number of shares for sale, the outcome will be determined more by supply and demand than by the fundamentals of the issue, which, although auspicious, are perhaps not deserving of some of the more ambitious ratings being discussed in the City. The company is tightly run and has a successful formula that captures both the convenience shopper and the impulse buyer. However, it is only in London that this formula has been tested, and even here stores in some key areas — like Queensway, which is swash with tourists — seem to be significantly more successful than others. While Underwoods' ability to become a national chain remains unproven, there is still plenty of scope for further expansion within London, and as its buying power improves, margins should widen. The superstars on the holding board may have little to offer in the short term, but the veiled hints of diversification and acquisition just might make the distant future very exciting indeed.

Underwoods valued at £31m

THE FULL prospectus is published this morning for an offer for sale of shares in Underwoods, the chemists. Morgan Grenfell is offering 6.5m shares, 25 per cent of the company, at a minimum tender price of 115p, which values the company at £31.3m.

Existing shareholders are selling 4.2m shares, and the remainder is being sold by the company to raise £2.2m at the minimum price after expenses.

The first Underwoods store opened in 1958 in Old Broad Street, EC2, and an expansion programme started a year later under the leadership of Mr Brian Kerner, the present managing director. Ten years later there were eight stores, selling audio equipment, jewellery, stationery, photographic goods as well as traditional chemist's ranges.

Since then the company has expanded rapidly, interrupted by a period of consolidation in 1982 when new layers of management were added. Currently 35 Underwoods stores are open, with a total selling space of 100,000 square feet, and the group expects six further stores to be open by January 1986.

Apart from three in the London suburbs, all of the stores

are in Central London, although two of the planned openings for the current year will take Underwoods outside London for the first time.

The Underwoods board is composed of two tiers, with a holding company board above the operating board. The former contains as non-executive directors Mr Elliott Bernard, a director of Stockley, Mr George Davies, chief executive of J. Hepworth & Son, and Mr Roger Seelig, a director of Morgan Grenfell.

Group profits have expanded from £306,000 in 1981 to £1.6m in the year to January 1985, while sales have grown from £14m to £30m. The company is forecasting profits of £2.5m, which would put the shares on a prospective price-earnings multiple at the minimum tender price of 20.5, after an estimated tax charge of 38 per cent. The yield is 2 per cent.

The application list opens on 29th October and dealings are expected to start on November 5.

Such is the demand in the City for retailers in general, and for young, expanding, specialist

retailers in particular, that the striking price for Underwoods is bound to be set at a fat margin over the minimum tender. Indeed, with only a small number of shares for sale, the outcome will be determined more by supply and demand than by the fundamentals of the issue, which, although auspicious, are perhaps not deserving of some of the more ambitious ratings being discussed in the City. The company is tightly run and has a successful formula that captures both the convenience shopper and the impulse buyer. However, it is only in London that this formula has been tested, and even here stores in some key areas — like Queensway, which is swash with tourists — seem to be significantly more successful than others. While Underwoods' ability to become a national chain remains unproven, there is still plenty of scope for further expansion within London, and as its buying power improves, margins should widen. The superstars on the holding board may have little to offer in the short term, but the veiled hints of diversification and acquisition just might make the distant future very exciting indeed.

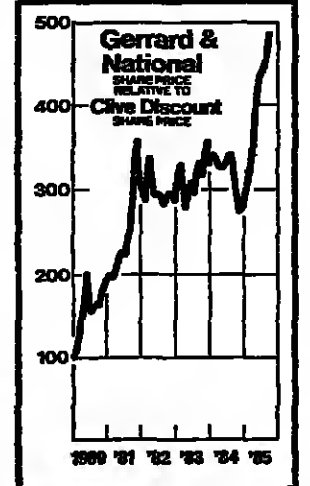
Gerrard & National margins squeezed

By John Shepherd

Gerrard & National, the UK's largest discount house, has suffered from pressure on margins and has managed only a slight increase in profits for the six months to October 5, 1985.

"It had been a long, hard slog with a running loss on the book the whole time," Lord Eglington, the deputy chairman, said, and added that opportunities for capital profit were smaller.

The running loss had



"eaten away capital profits," he said, and felt that the markets "were reaching for a bit more than justified."

Gerrard's results, which coincided with publication of Clive Discount's figures, were accompanied by an unchanged interim dividend of 3p. Discount houses do not have to reveal any figures at this stage.

In the 1984-85 year Gerrard's profits emerged nearly 50 per cent lower at £5.15m (after tax, minorities and a transfer to inner reserves) and while Lord Eglington could not commit himself to a forecast for 1985-86, he said that there had been "no great improvement in market conditions during the early part of the second half."

At last night's close Gerrard's shares were unchanged at 318p.

Clive Discount breakeven at midway

Clive Discount Holdings, which incurred a loss in the 1984/85 year, yesterday reported a breakeven result for the six months to end September 1985.

Mr John Warr, the deputy chairman, said the result was achieved in a climate of "no margins to make money on. There was a running loss on the books throughout and we were not making enough out of conventional paper."

The interim dividend is being cut by nearly two-thirds to 0.5p because there "is no point in paying out our basic. It is a fair dividend in terms of the results, and shareholders will have to be a little bit patient," he said.

Market reaction to the figures saw a 4p drop to 36p in the share price, which is not far above this year's low point of 26p.

Mr Warr said that the market's expectations of a drop in interest rates had been "rather squelched by the Chancellor. We believe that interest rates have got to come down, but we slightly misread the timescale of the interest rate drop."

However, he said that Clive was in a much better shape and the link-up with Prudential-Bache Securities of the U.S. had provided financial muscle and a "whole new world to look at."

Etam growth continues with £1.3m profit lift

INTERIM FIGURES from the Etam group, which retails women's wear and girls' wear, show a substantial increase in profits. And the most significant period of trading has yet to come.

For the 38 weeks ended September 7, 1985, the group has advanced its turnover by 27.25m to £36.78m, its trading balance by nearly £1m to £4m, and its profit before tax by £1.25m to £4.38m. The interim dividend is lifted from 0.9p to 1.15p net.

At September 7 the group was trading from 115 outlets, and since then has incurred or contracted for capital expenditure of around 8.8m, compared with £4.2m in the like period last year.

This includes expenditure on acquiring freehold interests in new and existing shops and in the extension of warehousing facilities.

The directors point out that traditionally the group earns the major part of its profits in the latter part of the financial year; in 1984-85 some £5.5m was earned

in that period. They tell shareholders they remain confident that the group will continue to grow steadily.

Profit for the period includes income from leased assets £16,000 (1984: £10,000), interest received £666,000 (£380,000), and net surplus on disposal and closure of properties £342,000 (£250,000). But the charge for depreciation was up from £1.03m to £1.47m.

After tax £1.83m (£1.45m) the net profit came out at £2.95m (£1.65m) for earnings of 4.88p (£2.16p) per share. Last year there was an extraordinary debit of £262,000 which was the expenses involved in obtaining a licence for the company's shares.

There is a way to go and a dull September got the second half off to a poor start but no matter how much Etam's management cautions the market about being over-optimistic, the analysts will be inclined to lift their forecasts to £11m pre-tax for the year, an

increase of 28 per cent. The optimism is understandable. There is a steady progression of new openings, four in the first half and probably the same again in the second, sales volume at existing shops is rising and a very firm grip on costs is pushing margins higher. The Etam story has not changed much over the last six months but sooner or later it will branch out beyond the concentration on ladies' fashion in the 20 to 25 year old age group. A chain aimed at an older, or perhaps younger, market would be an obvious extension though Etam might just as easily move into menswear or fish 'n' chip shops. Deep down the top men see themselves as professional managers quite capable of running a retail conglomerate. Such a vision is presumably of the distant future — there has been no obvious sign that they are willing to use paper for acquisitions yet, even with a prospective p/e of 13 at 222p. And that rating looks an open invitation for some profit taking.

Lord Matthews unlikely to stay with Fleet

By David Goodhart

Lord Matthews yesterday presided over his last AGM as chairman of Fleet Holdings, the Express Newspapers group, and said it was "most unlikely" he would stay with the group following the successful bid by United Newspapers.

He told the meeting of about 200 shareholders that the outcome had not been what he wanted — "unfortunately it was decided by six or 10 institutions and there is nothing we can do about it."

He also disclosed that he had personally bought 200,000 Fleet shares on the final day in a bid to stop United. Assuming he takes cash for his shares, he stands to receive about £8m.

Lord Matthews said he had no plans to retire yet, but had no strong views about whether he would stay in newspapers.

Asked if he believed United could achieve its aim of a 20 per cent reduction in the Fleet workforce, Lord Matthews said: "I would not have thought so — I could not."

Importers, exporters, manufacturers and distributors who have capital tied up in raw materials, work in production or finished goods in store could find themselves missing potential growth targets.

But now help is at hand. Arrows Limited are able to offer financing of stock to release valuable capital for more productive use without impinging on a company's existing lines of credit.

At Arrows Limited a company can invoice all or part of its stock to us for immediate payment — less an agreed discount — with a sale back to the company against an accepted Trade Bill of Exchange normally drawn up for a period of up to 60 days or, under exceptional circumstances, up to 90 days.

AT LAST A HELPING HAND FOR COMPANIES WHOSE BORROWING LIMITS ARE SPOILING THEIR AIM

Simple. And whilst this may be marginally more expensive than using the clearing banks, it is invariably cheaper than using a Finance House and requires no formal security.

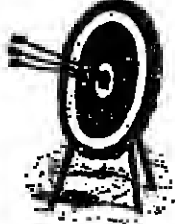
Arrows Ltd were first in the field and are still the clear leaders. Our unique method of Off Balance Sheet Finance eliminates borrowing from company balance sheets and thereby allows valuable funds to be put towards increasing a company's trading capacity.

That's why when Arrows Limited was set up in 1983 to provide this quick, confidential and efficient service, it proved to be so popular with companies of all sizes.

If you would like to know more, we'll be only too pleased to answer any enquiries.

ARROWS LIMITED

Arrows House, Kingsway, Manchester M19 1BA. Telephone: 061-224 8800. Telex: 667052



Petroleum interests lift Hunting Assoc to £2.9m

Hunting Associated Industries, defence equipment, aviation support and geological survey group, has been helped to higher profits by much improved results from its related company, Hunting Petroleum Services.

Pre-tax profits for the six months to June 30, 1985 increased to £2.93m against £2.29m. An interim dividend of 3.5p (3p) is being paid.

Directors say they believe shareholders should have the opportunity to receive fully paid ordinary shares in lieu of a dividend and details of this will be contained in a circular to be posted as soon as possible.

The board says the results show a worthwhile improvement. An improved performance from the UK defence and aviation activities is reflected both in in-

creased turnover and, in some areas, improved margins. Other UK activities in the resource survey and non-defence engineering areas, together with the group's overseas operations, continue to be faced with difficult trading conditions and have made a little contribution to results during the period.

The board expects the second half of the year will similarly reflect an improvement over 1984.

Turnover for the six months was £107.57m (£91.02m), with interest payable £2.65m (£2.04m). Profits from related companies increased to £726,000 (£519,000), while tax rose to £1.1m (£975,000) and minority interests to £263,000 (£20,000). Earnings per share (basic) were 12.74p (10.18p) and, fully diluted, 8.66p (7.1p).

Henara at £0.6m halfway

Henara, hair and skin care product manufacturer, and distributor, has lifted pre-tax profits from £519,000 to £609,000 in the first half of 1985, on turnover slightly ahead at £2.82m against £2.55m.

Currently, sales for July, August and September are running at about the same level as last year, Mr G. H. J. Robinson, the chairman, says, and adds that export operations are beginning to show some real potential.

Henara has signed a ten-year contract with Beecham Group, which will act as its distributor in the Benelux countries. The directors are confident that the association will strengthen the group's operation in future years. For the half-year, the interim dividend is held at 0.7p, to be paid from stated net earnings per 10p share of 3.44p (2.9p).

As well as continuing work on product introductions, the chairman says the directors are devoting efforts to broadening

the product range, which it is hoped will result in an improved operating performance in the future.

This time the group's gross profit was lower at £1.55m (£1.44m), but reduced expenses of £1.06m (£1.23m) accounts for the 17 per cent pre-tax improvement.

Yearlings total £9.3m

Yearling bonds totalling £9.3m at 111 per cent, redeemable on October 29, 1986, have been issued by the following local authorities: Bedford City Council £1m; Alnwick District Council £0.25m; East Hampshire DC £0.5m; St Helens Metropolitan Borough Council £0.5m; Wokingham DC £0.75m; Malvern Hills DC £0.25m; South Buckinghamshire DC £0.25m; Wansbeck DC £0.3m; Basildon DC £0.5m; Dudley MBC £1m; Portsmouth (City of) £2m; Sheffield (City of) £2m.

Gerrard & National

INTERIM STATEMENT

Although Clearing Bank base rates have fallen by one and a half per cent in the first half of the Company's year, profitable trading opportunities have been less frequent than usual. Profits achieved are therefore only slightly higher than those earned for the comparable period last year.

The Directors have decided to pay an interim dividend in respect of the half year to 31st October 1985 of 3p per share on the issued Ordinary share capital (1984: 3p per share). The dividend will be paid on 4th December 1985 to members on the register at the close of business on 8th November 1985. Transfer books will be closed for the day on 11th November 1985.

23rd October 1985

Albert Fisher

An international broadly based food, distribution and service group
A year of significant growth and record profit

Record profits have been achieved throughout the group.

The United States Division performed particularly strongly.

Performance underlines management's continuing success.

The group is well placed for future growth and development.

50% dividend increase to 2.25p forecast for 1986.

Financial Highlights	Year Ended 31st August		
	1985 £000	1984 £000	Change %
Turnover	84,864	44,370	+91
Operating profit	4,051	1,034	+292
Profit before taxation	3,761	1,091	+245

Earnings per share	pence		
	1985	1984	Change
Dividends per ordinary share	1.50	0.99	+52
Net assets per ordinary share	43.70*	26.70	+64

*Adjusted for underwritten rights issue.

If you would like a copy of the 1985 Report and Financial Statements please post this coupon to The Secretary, The Albert Fisher Group PLC, Fisher House, 35 High Street, Ascot, Berkshire, SL5 7HG.

Name
Address

Lilley improves despite high interest charges

DESPITE A substantial increase in interest charges, the civil engineering and building contracting group F. J. C. Lilley has shown an improvement in pre-tax profit from £4.48m to £4.88m in the half year ended July 31, 1985.

Benefits from policy and organisational changes have yet to be fully realised. But the directors believe that the right course has been set, the outlook is good and the group's circumstances will continue to improve.

The directors said in May that steps were being taken to eliminate unprofitable activities in America, to redefine policy in relation to property involvement and to dispose of assets failing to produce an adequate return, and to widen the group's expertise and competitiveness.

Construction activities at home and abroad are on target and are expected to achieve profits in terms of budget for the year, they state.

Almost half of turnover comes from outside the UK, and the directors see little indication of improvement in the present low levels of work potential and profit margins at home. However, substantial orders have been received recently and the geographical spread is healthy.

Interest charges in the half year rose from £527,000 to £1,05m, although they were offset somewhat by a rise in inter-

est and investment income to £692,000 (£298,000). Interest charges reflect the short term increase in borrowing to finance the initial investment and start-up costs of various overseas operations and in service funds already committed to property development.

Turnover expanded from £136.45m to £180.47m and the operating profit from £4.69m to £5.94m. After tax £1.75m (£1.71m) and minorities £3,000 (£3,000), the net attributable profit comes to £2.88m (£2.83m) for earnings of 3.5p (3.55p) per share. The interim dividend is lifted to 1.26p net (1.25p).

Management measures introduced have resulted in new lettings and disposals of certain properties, although progress is still slow in a difficult market.

While borrowings are within bank facilities, the directors have initiated actions which they feel confident will achieve a reduction and lessen the impact on results in future.

The directors report that the Cairo wastewater project in Egypt is proceeding in management expectations. In Nigeria satisfactory progress has been maintained since July towards completion of the Plateau state water project early next year.

In America, under the reorganised management, current contracts are progressing favourably and the setback of last year

has been arrested. Negotiations on the Alaska contract settlement continue within the projected timescale and confidence in the final outcome remains unchanged. Tunneling on the Sandbar hydro scheme in California has progressed at record speed.

comment

The switch from being a net interest earner to a payer and the increase in working capital in the first half have held F. J. C. Lilley to only a small pre-tax rise. The net debt position at the year-end depends in part on selling at least the Croydon office development (and preferably the Kingston as well). Otherwise the balance sheet could be showing borrowings rising up over the net £10m at the year-end due to the start-up costs of some overseas operations. The good news is that the U.S. will make a small positive contribution for the year (hence the minorities payment). Nigeria remains a problem with permits to import the equipment necessary to finish the water project coming through only in June and doubts over when commissioning will take place still persisting on a scheme already 18 months behind programme. In the full year the analysts are looking for £10m which has the shares at 72p up on a prospective multiple of just over 9 on a 37.5 per cent tax charge.

Marlboro' Property profit shows slight fall

Marlborough Property Holdings, property investment and development group, reports marginally lower pre-tax profits of £311,000 in the six months to June 30, 1985, against £314,000, although turnover is higher at £2,371m against £2,25m.

The board is recommending an interim dividend of 0.225p (0.2p) and envisages maintaining the final dividend at a level at least equivalent to last year's final of 0.35p.

Rental income for the full year is expected to exceed £1.25m (£772,000 to December 31, 1984), including income from the recent purchase of the Solent Industrial Estate and other developments as they are completed. The gross annual rent roll exceeds £1.5m.

The group has entered into an agreement for the sale of the second phase of its Walton-on-Thames office development when it is completed in 1988. Some of the profits from this sale will accrue during the current year.

Profits for the first half comprise net rental income of £488,000 (£379,000), gross profit on sales of trading properties £333,000 (£311,000) and trading profit on sales of non-property subsidiary £14,000 (nil), less administration expenses of £188,000 (£188,000) and interest payable of £206,000 (£217,000). The higher interest reflects increased acquisitions of development sites.

Earnings per 5p share were stated at 1.33p (1.29p).

Terry Garrett looks at Cheshire Wholefoods

USM set to swallow a healthy breakfast

IN THREE WEEKS Cheshire Wholefoods will join the Unlisted Securities Market following a placing of about 30 per cent of its equity by brokers Earnshaw Haes.

The company's debut marks the USM's first specialist health food company. Started a decade ago, Cheshire now turns out 550 tons of muesli monthly under its own label and for a wide range of retailers' own-brand cereals.

It has around 30 per cent of the UK market for natural muesli—a figure which ignores popular ranges that include sugar and other additives.

Modest

Production in the first few years was modest but a strike at Kellogg's in 1979 gave Cheshire an opportunity to break into the national market.

Fine Fare turned to the company with an order for 9,500 cases. Up till then Cheshire had been producing around 100 cases a week.

Customers now include Asda, Bejam, Boots, BHS, Co-op, International, Safeway, Sainsbury, Tesco and Waitrose. By varying the quantities of some 30 different ingredients each customer's branded muesli has its own recipe. About two-thirds of Cheshire's output is marketed under retailers' own labels and just under 80 per cent of total

sales are made through P. A. Rosa (Food Brokers). Mr Rosa is a director of Cheshire and holds an equity stake.

Research shows that the market for rolled ready to eat breakfast cereals grew seven-fold from 1970 to 1983 to £370m. Within that the combined market for bran and muesli products was £76m.

The company's growth on the back of the trend towards healthier eating has been rapid. In the year to March 1985 sales of £1.9m were producing profits of just £33,000 before tax. Last year profits amounted to £316,000 from sales of £4.6m and when the prospectus is published the

company will forecast a rise to around £500,000 for this year.

The directors expect the UK market for their products to continue expanding at a faster rate than the breakfast cereals sector generally but they also anticipate augmenting that growth with exports. Cheshire's muesli has been approved by the U.S.

authorities and the directors are looking for a U.S. distributor to handle sales in much the same way as Peter Rosa acts for Cheshire in the UK. Using broking houses, rather than selling direct to the retailer, is common for smaller food manufacturers.

They are also looking for new health type products to sell alongside the existing range and growth by acquisition is a possibility. The directors say they are looking at one or two potential targets. Though, more significantly, a new product—still very much under wraps—is being planned for next year. This will again be a natural breakfast cereal but with a taste acceptable to a wider audience.

Part of the money raised in the placing will be used to finance new equipment for that product, which will require a new production technique. In total the placing will raise £1.6m, two-thirds of which will be for the founders.

The rating will be more ambitious than that normally granted to the food manufacturing sector. Earnshaw will be looking to place the shares on a prospective price-earnings multiple of about 4 per cent.

While these factors will not help second half earnings to such an extent, the directors say that, based on the present portfolio, estimated net revenue for the year will be considerably higher.

At the end of the interim period the trust had 126 holdings. The yield on the portfolio was 5.1 per cent and there was around £4m of cash on deposit.

Securities Trust of Scotland advances

Securities Trust of Scotland had a net asset value of 156.8p per 25p share at the end of the six months to September 30, 1985, romped with 138.3p a year previous.

Earnings per share improved from 2.12p to 3.03p. The interim dividend is being raised from 1.3p to 1.6p and the board intends to recommend a total payout for 1985-86 of 4.8p, a 20 per cent improvement over the previous year's 4p.

Taxable profits for the six months rose by just over £1m to £3.68m after interest charges up slightly at £1.27m, against £1.34m. Tax was £1.21m (£1.38m) leaving a net result of £2.48m (£1.74m).

The earnings increase was partly due to high rates of interest received on temporary cash deposits in the UK and the irregular incidence of dividend receipts.

While these factors will not help second half earnings to such an extent, the directors say that, based on the present portfolio, estimated net revenue for the year will be considerably higher.

At the end of the interim period the trust had 126 holdings. The yield on the portfolio was 5.1 per cent and there was around £4m of cash on deposit.

Scottish Mortgage income falls

Scottish Mortgage & Trust's net asset value per share fell to 461.8p at September 30 1985, against 487.2p at March 31 1985.

Net investment income after tax of £1.66m (£1.46m) was down at £5.96m (£7.49m) for the six months and an interim dividend of 3.2p (same) is proposed. Earnings per share rose to 4.7p (3.82p).

The company says equity markets worldwide continue to be reasonably valued and the company remains fully invested, although it does not expect substantial upward price movements in the near future.

The fall in gross investment income results from the sale of the bond portfolio, which was accompanied by repayment of the corresponding loans. The rise in net earnings is due mainly to the incidence of receipts and earnings will be lower in the second half.

The year's total is expected to be similar to that of 1984-85 and it should be possible at least to maintain the final dividend of 4.2p.

Precious Metals net assets rise

Precious Metals Trust had a net asset value of 133.4p per share at end-July 1985, against 109.8p a year earlier, a 21 per cent increase compared with a fall of 11 per cent in the price of gold.

Mr Zvi Schloss, the chairman, says that the trust, which does not invest in South Africa, has increased its investment in gold mining shares from 45 per cent to 61 per cent of net assets over the year. In the remainder of the portfolio the emphasis on gold-related investments has also increased.

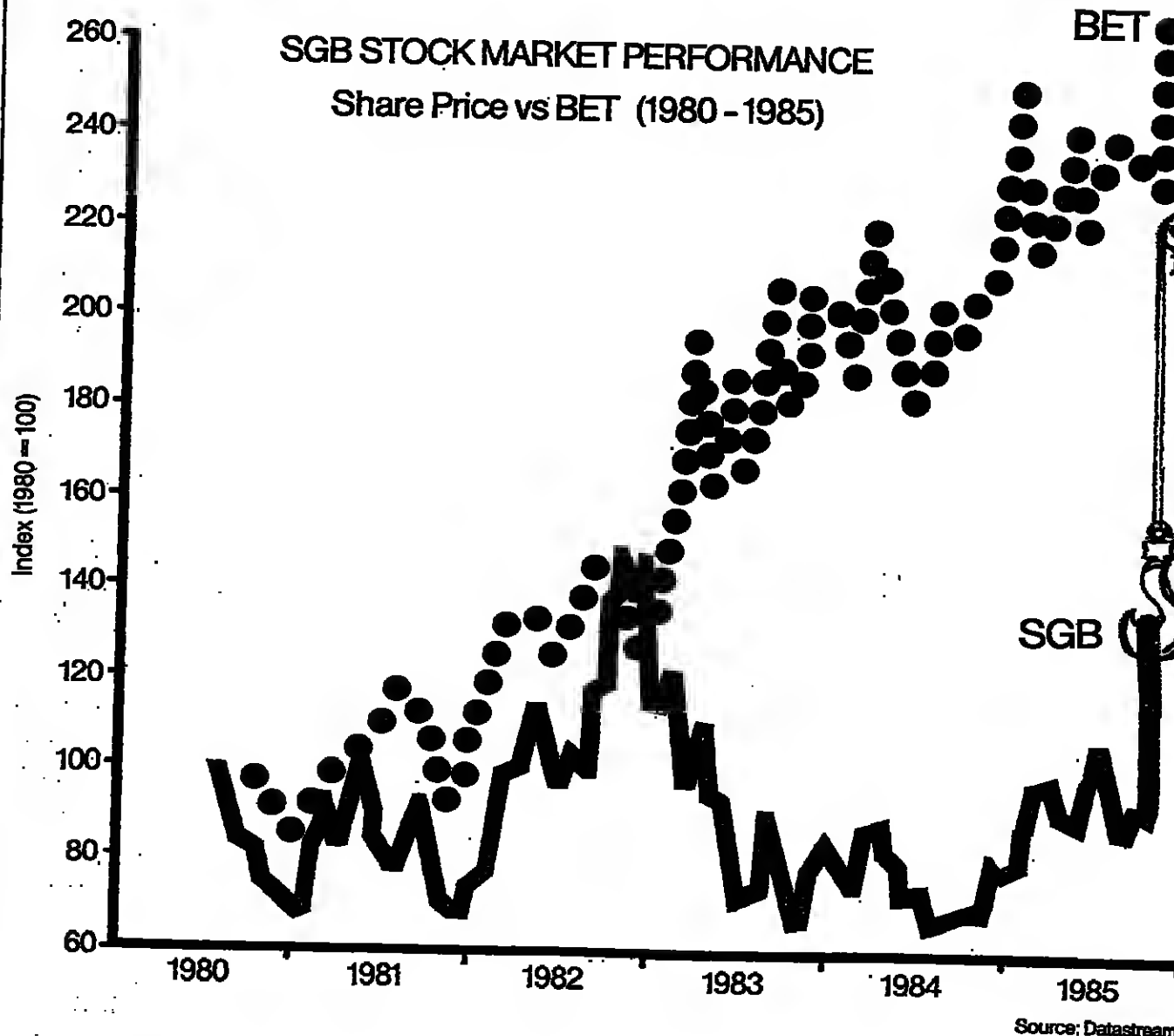
The single final dividend is being held at 0.55p, while earnings per share fell from 1.38p to 0.57p, reflecting a loss in the dealing subsidiary of £110,000 against a profit of £46,000.

A large part of the loss is due to the fall in the value of precious metals held in that company, and the greater emphasis on goldmining shares, which have low yields, has also reduced income, the chairman says.

After a tax charge of £34,000 (£106,000), net revenue amounted to a lower £88,000 (£163,000).

Why SGB shareholders need a lift from BET

SGB STOCK MARKET PERFORMANCE
Share Price vs BET (1980 - 1985)



SGB shareholders have suffered badly from the underperformance of SGB shares while BET's share price tells a very different story – of successful progress.

That is why we believe SGB shareholders would be far better off if SGB's activities were merged with the construction operations of BET. They would also enjoy the benefits of a broadly based, growth-oriented company – and leave behind a narrow, volatile business.

While SGB have blamed the inactive building and construction sector for their dismal record, BET has had considerable success in this area, enjoying average annual growth of over 45% in the last five years.

SGB's recent attempts to diversify have been disastrous, but their core businesses would fit perfectly with those of BET Plant Services and benefit from BET's proven management ability.

BET
putting experience
to good service

THE CLASSIC MOVE IS TO BLACK.

The distinctive gift of Classic Black® with gold plate appointments and lifetime mechanical guarantee.

CROSS
SINCE 1848

A.T. Cross (UK) Limited
Concorde House • Concord Street • Luton • Bedfordshire
LU2 0JD • Tel. Luton (0581) 422733

NOTICE OF REDEMPTION
To the Holders of
ENTE NAZIONALE IDROCARBURI
E.N.I.
(National Hydrocarbons Authority)

6% Sinking Fund Debentures due June 1, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-mentioned issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on December 1, 1985 at the principal amount thereof \$750,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

01	31	32	41	70
Also Debentures of U.S. \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers:				
1 278 4678	9678 1078	1278 1378	1478 1578	1678 1778
278 378	478 578	678 778	878 978	1078 1178
1178 1278	1378 1478	1578 1678	1778 1878	1978 2078
2078 2178	2278 2378	2478 2578	2678 2778	2878 2978
3078 3178	3278 3378	3478 3578	3678 3778	3878 3978
4078 4178	4278 4378	4478 4578	4678 4778	4878 4978
5078 5178	5278 5378	5478 5578	5678 5778	5878 5978
6078 6178	6278 6378	6478 6578	6678 6778	6878 6978
7078 7178	7278 7378	7478 7578	7678 7778	7878 7978
8078 8178	8278 8378	8478 8578	8678 8778	8878 8978
9078 9178	9278 9378	9478 9578	9678 9778	9878 9978

On December 1, 1985, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main offices of Algemeine Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg in Luxembourg. Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payee is not recognized as exempt recipient or if payee fails to provide a valid taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

Debentures surrendered for redemption should have attached all unexpired coupons appurtenant thereto. Coupons due December 1, 1985 should be detached and collected in the usual manner.

From and after December 1, 1985 interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI
By: **MORGAN GUARANTY TRUST COMPANY**
OF NEW YORK, Fiscal Agent

NOTICE

The following Debentures previously called for redemption have not yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH

M27891 M27892

UK COMPANY NEWS

French Connection down to £2.9m at six months

French Connection Group, USM-quoted clothing retailer, reports pre-tax profits down from £2.94m to £2.87m in the six months to July 31 1985, on increased turnover of £19.93m against £17.15m.

Directors say business in the UK and France has continued to show good progress, although business in the U.S. remains quiet. They are proposing an unchanged interim dividend of 1.75p.

UK turnover increased to £9.47m (£8.82m) and turnover in France to £2.14m (£1.7m). The company's business in the U.S. performed well, preserving satisfactory net margins on sales, in spite of extremely difficult trading conditions.

It is envisaged that the U.S. part of the business will continue to hold its own by consolidating its trading base in preparation for an upturn in the market.

Advance orders for the spring and summer 1986 collections are described as very encouraging.

The UK retail division has per-

formed better than last year and the First men's shop, in Covent Garden, London, has been a considerable success.

BUKTA, which the company agreed to purchase from the Receiver in June, is said to be showing remarkable potential to pre-tax profit in its first month of trading.

Although trading in the U.S. remains difficult, the chairman is pleased with the overall development of the group.

Tax was down at £1.25m (£1.35m) and minorities fell to £228,000 (£266,000).

The group's total unaudited turnover and pre-tax profit, excluding B&B of All Clothing in the U.S. rose to £14.08m (£8.55m) and £1.92m (£1.37m) respectively. This improvement made a significant contribution to maintaining earnings per share at 8.7p.

comment

French Connection can at least claim to be in good company in

falling victim to the difficult U.S. economic conditions. Sears' experience with Butler Shoe reported on earlier this month, went to show that no company with strong U.S. retailing interests is immune to the poor state of consumer demand. There are other consolations for French Connection, too: the U.S. activities are, after all, only 50 per cent owned so minority interests will be well down this year, and the decline in the proportion of profits coming from the U.S. means that the tax rate is likely to fall to about 40 per cent.

Consequently earnings per share should rise from 19.1p to about 21.5p in spite of a fall in pre-tax profits from £7.5m to about £6.5m. The UK and European operations are moving ahead strongly and one day the U.S. activities should turn around, too. In the meantime the shares, unchanged yesterday at 245p, look fairly valued on a prospective price/ratio of 11.

Broader spread for Prestwick

GOOD PROGRESS has been made by Prestwick Holdings in replacing its very high volume business for the home computer industry with a more diversified spread of customers. And significant cost reduction programmes being implemented will reduce further the unit cost base of the production of all printed circuit boards, the directors state.

The depressed level of order intake experienced by the PCB industry as a whole throughout the summer will have a severe effect on the current half year ending January 31, 1986, the directors add. 0.2p adjusted is expected the pattern of previous years to be repeated with an improvement in the second half.

The group is one of the largest makers of printed circuit boards in Europe and its shares were offered for sale last April at 2p. The shares stood in the market at 87p, down 10p on the day.

Reporting for the year ended July 31, 1985, the directors say that turnover rose from £14.3m to £19.85m and the profit before tax was up to the forecast at £1.83m, compared with £1.12m in 1984-85.

After tax £529,000 (£282,000) the net profit comes to £1.3m (£859,000) for earnings of 8p (5.7p). The dividend for the period is 0.7p net.

A year ago the group em-

barked on a substantial expansion and technical change programme. The new plant at Irvine, Scotland, and one day of technical innovations, is now in place and the new products are being taken by customers.

However, the directors stress that the turnover rise will not be fully used when the demand for its exists in the market.

The progress made in obtaining a broader spread of customers is shown by the fact that in only nine months the number of customers has almost trebled.

The sales force is having considerable success, especially in Europe, in developing new business.

Invent Energy moves ahead

Invent Oil Holdings, USM-quoted oil and gas exploration, development and production company, increased pre-tax profits, after foreign exchange gains, from slightly over £1m to under £5m in the three months to end-August 1985.

Mr D. H. Beavers, the chairman told shareholders at the annual meeting that turnover had improved from £1.7m to £5m, and net profit had increased from £1m to about £4m. Net earnings per share were 24.8p (6.5p).

The chairman said that the increase was due to rapidly rising oil production in France, and reviewing future prospects, he said Triton France estimated a gross level of 20,000 barrels of oil per day would be attainable during 1985.

Resolutions to subdivide ordinary shares and to change the name of the company to Triton Europe were approved.

Anglo-Indonesian lower

THE SHARP fall in tea prices has resulted in the Anglo-Indonesian Corporation reporting lower pre-tax profits for the six months to June 30, 1985. Profits have fallen from £1.95m to £1.44m, on turnover up from £15.18m to £18.15m.

The directors say the effect of the fall in profits masks a steady performance by most of the established UK engineering businesses as well as the new contribution from businesses acquired at the end of 1984.

The prospects for the full year will largely depend on the level of commodity prices for the second half, and exchange rates ruling at December 31, say the directors.

The interim dividend is increased from 2p to 2.5p net in order to reduce disparity. Stated earnings per share were down from 20.1p to 13.5p, and from 16.5p to 11.1p fully diluted.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Earnings per share were stated at 18.8p (18.4p) basic, and 16.2p (16.9p) fully diluted.

The company says the results

reflect a substantially increased contribution from Telfos, an engineering subsidiary. Price weakness and adverse exchange rate movements affected the contribution to results of an improved tea crop in Malawi.

Financial Times Thursday October 24 1985

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unutilised vacancies (000s). All seasonally adjusted.

	Ind. prod.	Eng. output	Retail vol.	Retail value	Unemp.	Vacs.
1984	102.3	101.3	107	111.4	133.3	3,076
3rd qtr.	102.3	101.3	107	111.4	133.3	3,076
4th qtr.	103.4	102.2	106	112.7	134.0	3,103
1985	106.0	102.7	102	113.3	133.9	3,138
1st qtr.	106.0	102.7	102	113.3	133.9	3,138
2nd qtr.	108.0	103.1	97	115.0	141.4	3,180
3rd qtr.	108.0	103.1	97	115.0	141.4	3,180
February	105.3	102.4	108	112.7	130.2	3,144
March	107.1	102.5	90	113.9	136.5	3,147
April	107.8	102.9	90	113.5	140.3	3,176
May	108.2	102.4	97	115.3	142.0	3,177
June	107.9	104.0	102	116.0	141.3	3,169
July	108.3	101.4	110	117.0	141.0	3,175
August	106.8	102.9	117.5	115.5	145.4	3,183
September	106.8	102.9	117.5	115.5	145.4	3,180

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacturing, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile	Hous. starts
1984	101.6	96.8	105.5	98.8	107.6	87.7	18.0
2nd qtr.	102.0	97.7	104.6	100.2	110.5	88.2	19.4
3rd qtr.	102.5	98.8	106.1	99.7	107.3	89.3	13.3
1985	102.8	102.2	109.2	103.2	112.1	98.8	13.6
1st qtr.	102.8	102.2	109.2	103.2	112.1	98.8	13.6
2nd qtr.	102.7	101.2	108.2	103.0	111.0	99.0	13.2
February	103.1	104.0	110.4	104.0	115.0	100.0	15.6
March	101.9	102.2	112.4	103.0	120.0	98.0	17.9
April	101.3	102.4	114.1	103.0	122.0	97.0	19.9
May	103.4	102.7	112.1	103.0	123.0	100.0	17.9
June	100.5	100.7	111.7	101.0	122.0	98.0	15.4
July	102.3	102.7	110.9	104.0	124.0	99.0	18.9
August	102.3	102.7	110.9	104.0	124.0	99.0	18.9

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (fm); oil balance (fm); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms of trade	Resv. US\$bn
1984	109.9	122.7	-1,615	-363	+1,894	97.2	15.26
3rd qtr.	119.7	129.1	-1,313	+424	+1,468	95.5	15.52
4th qtr.	119.7	129.1	-1,313	+424	+1,468	95.5	15.52
1985	120.5	128.5	-1,283	-539	+1,862	96.5	14.80
1st qtr.	120.6	128.0	-232	+1,183	+2,388	96.2	14.11
2nd qtr.	123.6	127.5	-241	-12	+676	96.2	15.25
February	119.6	136.5	-977	-704	+260	96.5	13.53
March	121.8	130.2	-189	+910	+687	97.2	14.03
April	121.7	121.0	+252	+721	+838	98.3	13.95
May	118.4	126.9	-216	+232	+843	99.1	14.32
June	116.9	122.6	-56	+344	+692	99.5	14.36
July	113.5	122.7	-194	+266	+667	101.3	14.18
August	113.5	122.7	-194	+266	+667	101.3	14.18
September	113.5	122.7	-194	+266	+667	101.3	14.18

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HPI, new credit; all seasonally adjusted. Clearing Bank base rate, (per cent).

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' new credit; HPS new credit; all seasonally adjusted. Clearing Bank Bank rate (end period).							
	M0	M1	M3	advances	BS	BP	Bas
	%	%	%	%	inflow	lending	rate
					2m	1m	%
1984							
3rd qtr.	5.3	13.2	6.3	9.9	1,623	2,313	10.1
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,946	9.4
1985							
1st qtr.	2.3	0.7	9.1	15.2	1,511	3,146	13.1
2nd qtr.	5.1	32.4	20.4	19.2	1,523	3,064	12.1
3rd qtr.	5.4	15.6	11.6	17.7	1,771	3,144	11.1
February	3.1	- 5.0	4.6	13.3	474	1,013	14.4
March	- 1.3	- 1.3	9.2	16.0	234	965	13.1
April	5.4	22.2	18.8	18.5	597	1,061	12.1
May	4.2	33.2	18.4	17.7	615	1,042	12.1
June	2.6	24.9	25.1	20.1	441	951	12.1
July	4.4	18.1	8.3	16.8	850	1,129	11.1
August	2.4	22.9	14.4	21.8	524	1,116	11.1
September	1.1	5.2	12.4	14.2	597		11.1

LAW AND SOCIETY

Licence or liberalism: after Gillick

BY CELIA HAMPTON

LAWYERS THAT tackle moral perplexities occasionally put judges in the way of homey wisdom in bus queues and saloons. Yet moral perplexities are the daily routine of the law, whether they are about marriage, children, hills of lading or performance bonds.

When the parties to a dispute invest vast sums of money in the legal process, they are both likely to perceive themselves as morally right. Achieving justice between them is the prime function of the courts, not the development of a legal and abstract bodies of law detached from morality.

When the public feels keenly about a moral issue, a temporary cloud of heat tends to obscure the light actually dispensed by the judges. In the last week this has been particularly true of the Gillick case.

The "licence for under-age sex" reaction is as mis-

conceived as the "boost for kids' rights" is unattractive. Neither is the true outcome of the House of Lords decision, although it would be foolish to deny the influence it will have on public opinion.

The judges confronted the moral issue head-on, rather than side-stepping through formalistic legal reasoning. That is an honest acknowledgement of their role. There is, and will continue to be, controversy over the legal outcome. Indeed, the three levels of judicial decision in the case scored a majority of 3-2 against it.

The two legal propositions laid down by the House of Lords are: (1) that a person under the age of 16 can, in some circumstances, consent to medical treatment; and (2) that a parent's authority over a child gradually dwindles over a period, and does not suddenly disappear on the celebration of a particular birthday. These have not been addressed by the courts in any case where a doctor or other professional worker is approached by a person under the age of 16 for advice in these matters, the doctor... will always seek to persuade the child to involve the parent... at the earliest stage of consultation, and will proceed from the assumption that it would be most unusual to provide advice about contraception without parental consent.

Infringement of these guidelines may well result in disciplinary action against a doctor. There is always the danger, of course, that the

Does this mean that a minor who is not yet 16 cannot consent?

Fortunately for the House of Lords majority, the action goes on to say that "nothing in this section shall be construed as making ineffective any consent which would have been effective if this section had not been enacted." This classic passage of legalism enabled Lord Fraser to find that if a consent could be given under general principles of law, the statute would not defeat it.

The cases really say very little to the point. The absence of any firm ruling enabled Lord Fraser to take a robust view of common sense. If the inference which Mrs Gillick's advisers seek to draw from the provisions is justified, a minor under the age of 16 has no capacity to authorise any kind of medical advice or treatment or examination of his own body. That seems to me so surprising that I cannot accept it.

That contraception has become a matter of medical advice and treatment is a fact of life. Methods available to women are not simple mechanical devices but have implications for general health, especially so perhaps for the very young. Doctors are involved, whether they like it or not.

Does this mean that young girls now have a licence to go behind their parents' backs and seek advice with the blessing of the medical profession?

Of course not. Doctors are subject to an active and rather severe disciplinary code. The DHSS guidelines which were the subject of Mrs Gillick's complaint are extremely cautious in allowing doctors to act without parental involvement.

Special care is needed not to undermine parental responsibility and family stability. The Department would therefore hope that in any case where a doctor or other professional worker is approached by a person under the age of 16 for advice in these matters, the doctor... will always seek to persuade the child to involve the parent... at the earliest stage of consultation, and will proceed from the assumption that it would be most unusual to provide advice about contraception without parental consent.

Infringement of these guidelines may well result in disciplinary action against a doctor. There is always the danger, of course, that the

"seeking to persuade" will be reduced in practice to a mere formality.

Lord Fraser spelt out five specific issues on which a doctor must be satisfied, and these are a matter of law, hearing in mind their origin. He must be satisfied that the girl will understand his advice, that he cannot persuade her to tell her parents or allow him to do so, that she is very likely to have sexual intercourse with or without contraceptive treatment, that her physical or mental health is likely to suffer unless she receives the treatment, and that her best interests require him to give it without parental consent.

This leads to the second legal proposition—the power of a parent to thwart the child's wishes or, more accurately, the power of the parent to stop a third party doing something to his child. To call this a parent's "right" is to confuse the issue and harks back to times when children were regarded as possessions entirely within the discretion of parents until maturity.

Yet there has hitherto been very little law about the parent-child relationship. It has focused on the margins—disputes between parents over custody, wardship by the court, taking a child into care, etc. Rarely has it looked at the relationship between a normal, loving parent and his child.

Such legal powers as a parent has over his child, most especially in the area of discipline, are not out of possession or ownership, but out of the duty that the parent owes to the child to care for him. It is the parent's duty to protect the child from harm, though this legal principle is not altogether new since it has been under-lying.

The harm to which children are susceptible varies with their experience and maturity. There is no specific age at which a child will cease to be harmed by watching a crime on television, but it is probably safe for a 14-year-old. Obviously, sexual contact will harm a pre-pubescent girl.

A child matures to different legal capacities at different ages. At 10 he becomes capable of committing a criminal offence. At 16 he can marry. At 18 he can vote. At 21 he can be sent to prison. At 16 a girl may have intercourse without her partner incurring criminal liability. These age limits, especially where criminal

liability is involved, must be precise so that people can be certain of their legal position.

The relationship between a parent and a child cannot be so neatly classified. Lord Scarman, having examined such law as there was before the Gillick case, concluded: "Save where statute otherwise provides, a minor's capacity to make his or her own decision depends upon the minor having sufficient understanding and intelligence to make the decision and is not to be determined by reference to any judicially fixed age limit."

This leaves the law in a rather pliant condition, to be decided in each case as the circumstances warrant. It is the generally approved tendency of the common law, however, which bases itself upon general principles dating from antiquity but interpreted in the light of changing circumstances. That children should be given more responsibility and independence at an earlier age conforms more with Victorian attitudes than does the Victorian attitude that strict compliance with a father's wishes would lead to a son being cut off without a shilling or an orphaned daughter being turned out on to the parish.

However, there have been cases which indicate that popular sentiment has sometimes been against parental authority. In one, the victim of a motor accident at the age of 15, who was living away from home and working on a farm, would have been excluded from bringing an action for damages under an eccentric piece of legislation about limitation periods. It was shown that he was in the control of his father at 15; Lord Denning "declined to take a view so out of date."

In another, a man accused of raping a girl under 16 was found not guilty because she consented.

When a father pleaded parental power as an excuse for seizing his daughter, he was nevertheless convicted of kidnapping. Legal propositions in Gillick's case may not therefore be as startling as they appear at first sight. However, to those of us who are parents as well as under-16-year-olds grown old, the moral implications of the ruling are thought-provoking.

Gillick and his friends at the Department of Health and Social Security have won a Q.B. 357. R v Howard (1986) 1 W.L.R. 357. R v D (1984) 1 A.C. 770.

AUTHORISED UNIT TRUSTS

Abbey Unit Tr. Mgrs. (a)

10, Whitehall St., Birmingham

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

FT UNIT TRUST INFORMATION SERVICE

Brown Shipley & Co. Ltd. (a)

10, Whitehall St., Birmingham

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

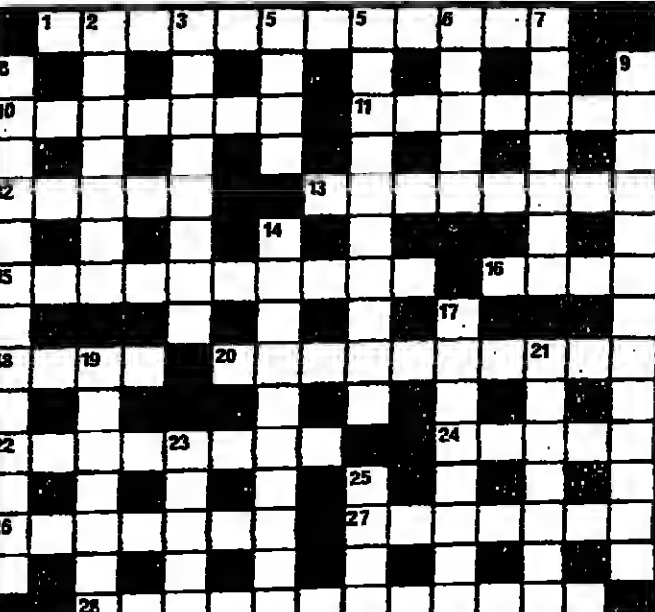
01-435 71773

01-435 71773

01-435 71773



F.T. CROSSWORD PUZZLE No. 5,855



- ACROSS**
- 1 School teacher takes hours restoring order (12)
 - 2 Badly leaking connection (7)
 - 3 Ductorate, one way or the other (7)
 - 4 When established, something's to one's credit (5)
 - 5 Low (4, 4)
 - 6 Roadwork sign? (4)
 - 7 It is made in a churn (4)
 - 8 Inland gems may turn out to be false (10)
 - 9 Lost in time, perhaps (8)
 - 10 She appears in an ensemble that's rather colourless (8)
 - 11 A live TV broadcast in Israel (3, 4)
 - 12 Sun and showers give one colour, naturally (7)
 - 13 As in pre-stage make up? (12)
- DOWN**
- 1 Gets off or puts on the line (5, 2)
 - 2 New creators of atomic energy (8)
 - 3 A form of need where there was none (4)
 - 4 Army shells explode without causing any damage (10)

APPOINTMENTS

Senior London banking post

BANK OF AMERICA has appointed Mr Richard M. Parkinson as head of the newly-formed financial institutions section in the London branch. Mr Parkinson, who is also chairman of Citibank in London, where he was head of the financial institutions division.

Mr Derek Dumbarton and Mr Michael Caine have been appointed to the board of TR INTERNATIONAL (CHEMICALS) Dumbarton is responsible for the company's sales in southern England; Mr Caine is head of the international division. TR International is part of Simon Engineering's merchandising group.

CARSON OFFICE FURNITURE, part of Acco Europe, has promoted Mr Alan Trotter to sales and marketing director. He was national sales manager.

HUGO GROUP has appointed Mr Joseph T. Casey as a non-executive chairman. Mr Casey is executive vice-president of Litton Industries Inc, which recently became a shareholder in Hugo Group following Hugo's acquisition of Sweden International, formerly a division of Litton. Mr Casey continues as an executive director of Litton Industries, based in Beverly Hills, California.

Herr Walter Fischer and Mr Peter Morgan have been appointed to the board of CASTLE (GB). Herr Fischer is the founder and chairman of W. F. National, a major supplier and a substantial shareholder of the company. Mr Morgan will assume responsibility for the future development of Castle Bathrooms.

Mr Alastair Storey has been appointed to the board of SUP-CLIFFE CATERING SCOTLAND as operations director. He was general manager.

GIBBS HARTLEY COOPER, Lloyd's insurance broker and a wholly-owned subsidiary of the Hongkong Bank, has appointed Mr Leon Stoffberg as finance director of General Guarantee Corporation (subsidiary of Great Universal Stores).

Mr Joseph D. O'Brien has been appointed to the board of the MILTON KEYNES DEVELOPMENT CORPORATION. He is regional executive director (south-east region) of the National Westminster Bank.

AUTOMATED CONFIRMATION SERVICE, which operates a computerised system for confirming foreign exchange and currency deposit deals, has appointed Dr R. A. Ewins, a former director of Hoskins, as managing director. Dr Ewins has joined from Celco as business development manager. The

company operates the service on behalf of members of the Foreign Exchange and Currency Deposit Brokers' Association. Its newly-appointed chairman, Mr Derek Dumbarton, is also chairman of FCBDA and of Tullett and Tokyo Foreign International.

Mr Malcolm Coates has joined the board of DELTA CONSTRUCTION COMPANY. He was contracts director of the tunnelling division of Fairclough Construction.

Ms Elizabeth Lenton, formerly with Longhair Developments, has been appointed to the board of RUTLAND MANAGEMENT, a Rutland Group Holdings company.

Mr Anthony R. P. Elliot has been appointed director of WIMPEY INSURANCE SERVICES. He was previously a subsidiary of George Wimpey as production manager in 1984.

Mr Ian Bayer has been appointed group finance director of FIRST SECURITIES GROUP. He succeeds Mr Nigel Wood, who remains on the board as a non-executive director. Mr Bayer was previously finance director of the group's subsidiary, First Security Group of Companies.

COVENTRY COMPRESSORS has appointed Mr Mick Burgess to the board. He is general manager. Coventry Compressors is a part of Edlison Plant, a B&T Plant Services company.

Mr Malcolm Brown has been appointed director-in-charge of the Newcastle upon Tyne office of BAIN DAVES following the departure of Mr David Walker.

Mr Bryan Bowley has resigned as managing director of G. JACKSON & SONS, part of the Trafalgar Group. He retires on December 31. Mr A. D. P. Evans has taken over as managing director.

Mr Patrick Gunn has been appointed managing director of BERGER PAINTS IRELAND to succeed Mr Roy Guise who is retiring at the end of October. Mr Gunn was a sales manager in PCW Holdings, another Berger Britain company.

Mr Jim Hayman has been appointed director, UK operations, for SLADE CONSULTING GROUP (UK). He joins from Sacs Consulting Group in Melbourne where he was managing director. Mr Martin Lawless has joined Slade from Arthur Young Management Consultants where he was a senior consultant.

Brown Shipley & Co. Ltd. (a)

10, Whitehall St., Birmingham

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

01-435 71773

Financial Times Thursday October 24 1985

Financial Times Thursday October 24 1985

29
Goyal Trust International Fid. Mngt. Ltd.(*) S.G. Warburg & Co. Ltd. and subsidiaries

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

COMMODITIES AND AGRICULTURE

China to step up farm borrowing

BY ROBERT THOMSON IN PEKING

CHINA plans to increase its use of foreign funds in agricultural development by 50 per cent over the next five years, the People's Daily reported today.

The projected increase is part of the country's drive to quadruple agricultural output by the end of this century. However, in recent months, central authorities, concerned about a slump in foreign exchange reserves, have exercised strict control over new projects.

In the past five years, the paper estimates, about Yuan 1.12bn (\$390m) in foreign funds has been used in agricultural projects through joint ventures with foreign companies. Ideally, the paper indicated, China

would like future investment to be in exportable products.

Development of exports and generation of foreign exchange is the cornerstone of the country's seventh five-year plan, which takes effect from next year, and the use of foreign funds will be focused on achieving those aims. Central officials are now very reluctant to provide hard currency for projects that will not generate income.

The Chinese economy has struggled to increase exports, while foreign exchange reserves have been hit by a flood of imports. The announcement that the country is looking to attract investment in agriculture is a

clear sign that it will be one of the key export areas in coming years.

Figures released yesterday by the State Statistical Bureau show there has been an overall reduction in the sown area of cotton and grain this year. Despite previous claims by Chinese officials that China would have another bumper grain harvest, bureau officials admitted the output will decline due to the reduced sown area, drought and floods.

The sown area of cash crops has increased to 22.67m hectares, up 3.53m hectares on last year. Sugar crops have increased by 307,000 hectares, tobacco by

330,000, and jute and hemp by about 600,000.

China's fear of importing animal disease with wheat from the U.S. was partly responsible for the big rise in U.S. acreage sown to wheat in the late 1970s, according to a report from the U.S. Census Bureau.

It says the Chinese did not want to buy wheat from northern states because it might contain smut spores, which require 30 to 40 days under snow cover before infecting the wheat kernel. So they started buying the soft red winter wheat grown in the southern states, thus encouraging a big increase in wheat acreage there.

LONDON MARKETS

THE STRONGER tone on the New York copper market continued to influence the trend on the LME, where further sharp gains were registered.

Cash higher grade copper added another 21.25 to Tuesday's \$3.50 advance to reach \$92.25 a tonne. Concern about a shortage of copper for nearby delivery in London continued to influence the trend and this was reflected in a further narrowing of the cash discount against the three months quotation from 23.75 to 23 a tonne. New York also gave an upward lead to the London coffee futures market where the January position ended 217 higher at \$170.50 a tonne. Ironically the New York rise was being attributed to London market talk of drought damage to next year's Brazilian crop.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

Unofficial + or - High/Low
Close, p.m. 1 per tonne

Cash	910.1	-1.5	899.5/917.5
3 months	939.0	-1.0	928.0/950.0

Official closing (am): Cash 897.5 (895.5), three months 900.2 (898.5), settlement 892 (891.5). Final mark close: 892.5/10. Turnover: 14,000 tonnes.

COPPER

Higher grade Unofficial + or - High/Low
Close, p.m. 1 per tonne

Cash	908.5	+2.5	895.0/922.0
3 months	937.0	+1.5	924.0/950.0

Official closing (am): Cash 892.3 (891.5), three months 900.2 (898.5), settlement 892 (891.5). Final mark close: 892.5/10. Turnover: 14,000 tonnes.

LEAD

Unofficial + or - High/Low
Close, p.m. 1 per tonne

Cash	1277.5	+0.5	1277.0/1278.0
3 months	1300.0	+0.5	1299.5/1300.5

Official closing (am): Cash 1278.5 (1278.0), three months 1300.2 (1299.5), settlement 1279 (1278.5). Final mark close: 1279.5/10. Turnover: 7,200 tonnes.

NICKEL

Unofficial + or - High/Low
Close, p.m. 1 per tonne

Cash	2004.0	+10	1990.0/2018.0
3 months	2001.5	+5.5	1987.0/2014.0

Official closing (am): Cash 2005.0 (2004.0), three months 2002.0 (2001.0), settlement 2004 (2003.5). Final mark close: 2004.0/10. Turnover: 1,200 tonnes.

TIN

Higher grade Unofficial + or - High/Low
Close, p.m. 1 per tonne

Cash	1400.0	-35.0	1365.0/1435.0
3 months	1495.0	-30.0	1465.0/1525.0

Official closing (am): Cash 1364.0 (1363.0), three months 1490.0 (1489.0), settlement 1364 (1363.5). Final mark close: 1364.0/10. Turnover: 1,200 tonnes.

ZINC

Higher grade Unofficial + or - High/Low
Close, p.m. 1 per tonne

Cash	435.5	-0.5	435.0/436.0
3 months	440.1	-1.5	438.6/441.6

Official closing (am): Cash 440.1 (439.6), three months 440.1 (439.6), settlement 440 (439.5). Final mark close: 440.1/10. Turnover: 16,500 tonnes.

GOLD

Gold fell \$14 to \$329.32 on the London bullion market yesterday. It opened at \$327.75, the day's high and was at \$328.20 in the closing. The market was generally quiet, with most attention remaining on platinum, and continued to be disrupted by disruption in supplies from South Africa.

COLD BULLION (fine ounces) Oct. 68

Opening 327.75, 328.75, 329.75, 330.75, 331.75, 332.75, 333.75, 334.75, 335.75, 336.75, 337.75, 338.75, 339.75, 340.75, 341.75, 342.75, 343.75, 344.75, 345.75, 346.75, 347.75, 348.75, 349.75, 350.75, 351.75, 352.75, 353.75, 354.75, 355.75, 356.75, 357.75, 358.75, 359.75, 360.75, 361.75, 362.75, 363.75, 364.75, 365.75, 366.75, 367.75, 368.75, 369.75, 370.75, 371.75, 372.75, 373.75, 374.75, 375.75, 376.75, 377.75, 378.75, 379.75, 380.75, 381.75, 382.75, 383.75, 384.75, 385.75, 386.75, 387.75, 388.75, 389.75, 390.75, 391.75, 392.75, 393.75, 394.75, 395.75, 396.75, 397.75, 398.75, 399.75, 400.75, 401.75, 402.75, 403.75, 404.75, 405.75, 406.75, 407.75, 408.75, 409.75, 410.75, 411.75, 412.75, 413.75, 414.75, 415.75, 416.75, 417.75, 418.75, 419.75, 420.75, 421.75, 422.75, 423.75, 424.75, 425.75, 426.75, 427.75, 428.75, 429.75, 430.75, 431.75, 432.75, 433.75, 434.75, 435.75, 436.75, 437.75, 438.75, 439.75, 440.75, 441.75, 442.75, 443.75, 444.75, 445.75, 446.75, 447.75, 448.75, 449.75, 450.75, 451.75, 452.75, 453.75, 454.75, 455.75, 456.75, 457.75, 458.75, 459.75, 460.75, 461.75, 462.75, 463.75, 464.75, 465.75, 466.75, 467.75, 468.75, 469.75, 470.75, 471.75, 472.75, 473.75, 474.75, 475.75, 476.75, 477.75, 478.75, 479.75, 480.75, 481.75, 482.75, 483.75, 484.75, 485.75, 486.75, 487.75, 488.75, 489.75, 490.75, 491.75, 492.75, 493.75, 494.75, 495.75, 496.75, 497.75, 498.75, 499.75, 500.75, 501.75, 502.75, 503.75, 504.75, 505.75, 506.75, 507.75, 508.75, 509.75, 510.75, 511.75, 512.75, 513.75, 514.75, 515.75, 516.75, 517.75, 518.75, 519.75, 520.75, 521.75, 522.75, 523.75, 524.75, 525.75, 526.75, 527.75, 528.75, 529.75, 530.75, 531.75, 532.75, 533.75, 534.75, 535.75, 536.75, 537.75, 538.75, 539.75, 540.75, 541.75, 542.75, 543.75, 544.75, 545.75, 546.75, 547.75, 548.75, 549.75, 550.75, 551.75, 552.75, 553.75, 554.75, 555.75, 556.75, 557.75, 558.75, 559.75, 560.75, 561.75, 562.75, 563.75, 564.75, 565.75, 566.75, 567.75, 568.75, 569.75, 570.75, 571.75, 572.75, 573.75, 574.75, 575.75, 576.75, 577.75, 578.75, 579.75, 580.75, 581.75, 582.75, 583.75, 584.75, 585.75, 586.75, 587.75, 588.75, 589.75, 590.75, 591.75, 592.75, 593.75, 594.75, 595.75, 596.75, 597.75, 598.75, 599.75, 600.75, 601.75, 602.75, 603.75, 604.75, 605.75, 606.75, 607.75, 608.75, 609.75, 610.75, 611.75, 612.75, 613.75, 614.75, 615.75, 616.75, 617.75, 618.75, 619.75, 620.75, 621.75, 622.75, 623.75, 624.75, 625.75, 626.75, 627.75, 628.75, 629.75, 630.75, 631.75, 632.75, 633.75, 634.75, 635.75, 636.75, 637.75, 638.75, 639.75, 640.75, 641.75, 642.75, 643.75, 644.75, 645.75, 646.75, 647.75, 648.75, 649.75, 650.75, 651.75, 652.75, 653.75, 654.75, 655.75, 656.75, 657.75, 658.75, 659.75, 660.75, 661.75, 662.75, 663.75, 664.75, 665.75, 666.75, 667.75, 668.75, 669.75, 670.75, 671.75, 672.75, 673.75, 674.75, 675.75, 676.75, 677.75, 678.75, 679.75, 680.75, 681.75, 682.75, 683.75, 684.75, 685.75, 686.75, 687.75, 688.75, 689.75, 690.75, 691.75, 692.75, 693.75, 694.75, 695.75, 696.75, 697.75, 698.75, 699.75, 700.75, 701.75, 702.75, 703.75, 704.75, 705.75, 706.75, 707.75, 708.75, 709.75, 710.75, 711.75, 712.75, 713.75, 714.75, 715.75, 716.75, 717.75, 718.75, 719.75, 720.75, 721.75, 722.75, 723.75, 724.75, 725.75, 726.75, 727.75, 728.75, 729.75, 730.75, 731.75, 732.75, 733.75, 734.75, 735.75, 736.75, 737.75, 738.75, 739.75, 740.75, 741.75, 742.75, 743.75, 744.75, 745.75, 746.75, 747.75, 748.75, 749.75, 750.75, 751.75, 752.75, 753.75, 754.75, 755.75, 756.75, 757.75, 758.75, 759.75, 760.75, 761.75, 762.75, 763.75, 764.75, 765.75, 766.75, 767.75, 768.75, 769.75, 770.75, 771.75, 772.75, 773.75, 774.75, 775.75, 776.75, 777.75, 778.75, 779.75, 780.75, 781.75, 782.75, 783.75, 784.75, 785.75, 786.75, 787.75, 788.75, 789.75, 790.75, 791.75, 792.75, 793.75, 794.75, 795.75, 796.75, 797.75, 798.75, 799.75, 800.75, 801.75, 802.75, 803.75, 804.75, 805.75, 806.75, 807.75, 808.75, 809.75, 810.75, 811.75, 812.75, 813.75, 814.75, 815.75, 816.75, 817.75, 818.75, 819.75, 820.75, 821.75, 822.75, 823.75, 824.75, 825.75, 826.75, 827.75, 828.75, 829.75, 830.75, 831.75, 832.75, 833.75, 834.75, 835.75, 836.75, 837.75, 838.75, 839.75, 840.75, 841.75, 842.75, 843.75, 844.75, 845.75, 846.75, 847.75, 848.75, 849.75, 850.75, 851.75, 852.75, 853.75, 854.75, 855.75, 856.75, 857.75, 858.75, 859.75, 860.75, 861.75, 862.75, 863.75, 864.75, 865.75, 866.75, 867.75, 868.75, 869.75, 870.75, 871.75, 872.75, 873.75, 874.75, 875.75, 876.75, 877.75, 878.75, 879.75, 880.75, 881.75, 882.75, 883.75, 884.75, 885.75, 886.75, 887.75, 888.75, 889.75, 890.75, 891.75, 892.75, 893.75, 894.75, 895.75, 896.75, 897.75, 898.75, 899.75, 900.75, 901.75, 902.75, 903.75, 904.75, 905.75, 906.75, 907.75, 908.75, 909.75, 910.75, 911.75, 912.75, 913.75, 914.75, 915.75, 916.75, 917.75, 918.75, 919.75, 920.75, 921.75, 922.75, 923.75, 924.75, 925.75, 926.75, 927.75, 928.75, 929.75, 930.75, 931.75, 932.75, 933.75, 934.75, 935.75, 936.75, 937.75, 938.75, 939.75, 940.75, 941.75, 942.75, 943.75, 944.75, 945.75, 946.75, 947.75, 948.75, 949.75, 950.75, 951.75, 952.75, 953.75, 954.75, 955.75, 956.75, 957.75, 958.75, 959.75, 960.75, 961.75, 962.75, 963.75, 964.75, 965.75, 966.75, 967.75, 968.75, 969.75, 970.75, 971.75, 972.75, 973.75, 974.75, 975.75, 976.75, 977.75, 978.75, 979.75, 980.75, 981.75, 982.75, 983.75, 984.75, 985.75, 986.75, 987.75, 988.75, 989.75, 990.75, 991.75, 992.75, 993.75, 994.75, 995.75, 996.75, 997.75, 998.75, 999.75, 1000.75, 1001.75, 1002.75, 1003.75, 1004.75, 1005.75, 1006.75, 1007.75, 1008.75, 1009.75, 1010.75, 1011.75, 1012.75, 1013.75, 1014.75, 1015.75, 1016.75, 1017.75, 1018.75, 1019.75, 1020.75, 1021.75, 1022.75, 1023.75, 1024.75, 1025.75, 1026.75, 1027.75, 1028.75, 1029.75, 1030.75, 1031.75, 1032.75, 1033.75, 1034.75, 1035.75, 1036.75, 1037.75, 1038.75, 1039.75, 1040.75, 1041.75, 1042.75, 1043.75, 1044.75, 1045.75, 1046.75, 1047.75, 1048.75, 1049.75, 1050.75, 1051.75, 1052.75, 1053.75, 1054.75, 1055.75, 1056.75, 1057.75, 1058.75, 1059.75, 1060.75, 1061.75, 1062.75, 1063.75, 1064.75, 1065.75, 1066.75, 1067.75, 1068.75, 1069.75, 1070.75, 1071.75, 1072.75, 1073.75, 1074.75, 1075.75, 1076.75, 1077.75, 1078.75, 1079.75, 1080.75, 1081.75, 1082.75, 1083.75, 1084.75, 1085.75, 1086.75, 1087.75, 1088.75, 1089.75, 1090.75, 1091.75, 1092.75, 1093.75, 1094.75, 1095.75, 1096.75, 1097.75, 1098.75, 1099.75, 1100.75, 1101.75, 1102.75, 1103.75, 1104.75, 1105.75, 1106.75, 1107.75, 1108.75, 1109.75, 1110.75, 1111.75, 1112.75, 1113.75, 1114.75, 1115.75, 1116.75, 1117.75, 1118.75, 1119.75, 1120.75, 1121.75, 1122.75, 1123.75, 1124.75, 1125.75, 1126.75, 1127.75, 1128.75, 1129.75, 1130.75, 1131.75, 1132.75, 1133.75, 1134.75, 1135.75, 1136.75, 1137.75, 1138.75, 1139.75, 1140.75, 1141.75, 1142.75, 1143.75, 1144.75, 1145.75, 1146.75, 1147.75, 1148.75, 1149.75, 1150.75, 1151.75, 1152.75, 1153.75, 1154.75, 1155.75, 1156.75, 1157.75, 1158.75, 1159.75, 1160.75, 1161.75, 1162.75, 1163.75, 1164.75, 1165.75, 1166.75, 1167.75, 1168.75, 1169.75, 1170.75, 1171.75, 1172.75, 1173.75, 1174.75, 1175.75, 1176.75, 1177.75, 1178.75, 1179.75, 1180.75, 1181.75, 1182.75, 1183.75, 1184.75, 1185.75, 1186.75, 1187.75, 1188.75, 1189.75, 1190.75, 1191.75, 1192.75, 1193.75, 1194.75, 1195.75, 1196.75, 1197.75, 1198.75, 1199.75, 1200.75, 1201.75, 1202.75, 1203.75, 1204.75, 1205.75, 1206.75, 1207.75, 1208.75, 1209.75, 1210.75, 1211.75, 1212.75, 1213.75, 1214.75, 1215.75, 1216.75, 1217.75, 1218.75, 1219.75, 1220.75, 1221.75, 1222.75, 1223.75, 1224.75, 1225.75, 1226.75, 1227.75, 1228.75, 1229.75, 1230.75, 1231.75, 1232.75, 1233.75, 1234.75, 1235.75, 1236.75, 1237.75, 1238.75, 1239.75, 1240.75, 1241.75, 1242.75, 1243.75, 1244.75, 1245.75, 1246.75, 1247.75, 1248.75, 1249.75, 1250.75, 1251.75, 1252.75, 1253.75, 1254.75, 1255.75, 1256.75, 1257.75, 1258.75, 1259.75, 1260.75, 1261.75, 1262.75, 1263.75, 1264.75, 1265.75, 1266.75, 1267.75, 1268.75, 1269.75, 1270.75, 1271.75, 1272.75, 1273.75, 1274.75, 1275.75, 1276.75, 1277.75, 1278.75, 1279.75, 1280.75, 1281.75, 1282.75, 1283.75, 1284.75, 1285.75, 1286.75, 1287.75, 1288.75, 1289.75, 1290.75, 1291.75, 1292.75, 1293.75, 1294.75, 1295.75, 1296.75, 1297.75, 1298.75, 1299.75, 1300.75, 1301.75, 1302.75, 1303.75, 1304.75, 1305.75, 1306.75, 1307.75, 1308.75, 1309.75, 1310.75, 1311.75, 1312.75, 1313.75, 1314.75, 1315.75, 1316.75, 1317.75, 1318.75, 1319.75, 1320.75, 1321.75, 1322.75, 1323.75, 1324.75, 1325.75, 1326.75, 1327.75, 1328.75, 1329.75, 1330.75, 1331.75, 1332.75, 1333.75, 1334.75, 1335.75, 1336.75, 1337.75, 1338.75, 1339.75, 1340.75, 1341.75, 1342.75, 1343.75, 1344.75, 1345.75, 1346.75, 1347.75, 1348.75, 1349.75, 1350.75, 1351.75, 1352.75, 1353.75, 1354.75, 1355.75, 1356.75, 1357.75, 1358.75, 1359.75, 1360.75, 1361.75, 1362.75, 1363.75, 1364.75, 1365.75, 1366.75, 1367.75, 1368.75, 1369.75, 1370.75, 1371.75, 1372.75, 1373.75, 1374.75, 1375.75, 1376.75, 1377.75, 1378.75, 1379.75, 1380.75, 1381.75, 1382.75, 1383.75, 1384.75, 1385.75, 1386.75, 1387.75, 1388.75, 1389.75, 1390.75, 1391.75, 1392.75, 1393.75, 1394.75, 1395.75, 1396.75, 1397.75, 1398.75, 1399.75, 14

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Intervention threat dominates

The dollar failed to recede to yesterday's U.S. economic data and remained within its recent narrow trading range on the foreign exchanges. The dollar's failure to move above DM 2.65 on Tuesday tended to underpin the recent sentiment suggesting the currency is likely to find a lower range within the fairly near future and remain particularly vulnerable to strong intervention by the central banks.

The German Bundesbank was not seen on the open market, but the Bank of Japan was seen to be reluctant to allow easy profits for speculators running short dollar positions. But the visit of Mr Yasuhiro Nakasone, the Japanese Prime Minister, to the U.S. this week, as well as a further meeting of the Group of Five major industrial nations in New York, suggests to the market that the central banks will move to push the dollar lower at the end of this week or beginning of next.

There was no reaction to the rise of 0.2 per cent in September U.S. retail prices, bringing inflation down to 3.2 per cent from 3.4 per cent, while the durable goods orders for the same month were confusing and also had little impact.

After a quiet day the dollar

fell to DM 2.6380 from DM 2.6405; FF 8.04 from FF 8.0475; Sfr 2.1640 from Sfr 2.1660; and ¥215.75 from ¥215.80.

On Bank of England figures the dollar's index rose to 130.8 from 130.7.

STERLING - Trading range against the dollar in 1985 is 1.4400 to 1.5225. September average 1.4637. Exchange rate index rose 0.1 to 81.1, compared with 78.8 six months ago. The index opened unchanged at 80.9 and remained at that level throughout except at 2 pm and the close.

£ IN NEW YORK

Oct. 23 Prev. close
Spot \$1.4530-1.4540 1.4530-1.4540
1 month 1.4540-1.4550 1.4540-1.4550
3 months 1.4550-1.4560 1.4550-1.4560
6 months 1.4560-1.4570 1.4560-1.4570

Forward premiums and discounts apply to the U.S. dollar

London interest rates continued to support sterling, but the currency was generally on the sidelines, generating very little movement.

DEUTSCHE MARK - Trading range against the dollar in 1985 is 3.4510 to 2.6190. September average 2.5370. Exchange rate index rose 0.2 to 122.1, compared with 121.6 six months ago.

The Deutsche Mark showed little change against the dollar, as the U.S. currency traded quietly within its recent range. Commercial demand supported the dollar, but fear of central bank intervention prevented a strong rise. There was no sign of activity by the Bundesbank in the open market, but the central bank maintained its presence by selling \$1.1m when the dollar was fixed at DM 2.6372 in Frankfurt, compared with DM 2.6410 previously. Signs that economic data are playing a smaller role in determining the dollar's value came when the currency failed to react to an unexpected fall in September durable goods orders.

The threat of intervention remained the dominant factor. No change is expected in Germany's monetary policy at the September meeting of the Bundesbank central council meeting in West Berlin. The dollar closed at DM 2.6380, compared with DM 2.6405 on Tuesday.

FUTURES AND OPTIONS

Prices up then back

Trading went through a hectic period on the London International Futures Exchange yesterday, but prices finished little changed.

December Eurodollars opened at 91.84, but dealers commented that futures prices were at a premium to the cash market, restricting any potential to move higher. The contract traded within a range of 91.78 to 91.88 and closed unchanged on the day at 91.84.

U.S. Treasury bonds for December opened firm at 77.11, supported by the shortage of paper, but the cash market, because of the failure of the U.S. Congress to yet raise the Federal debt ceiling, Tuesday's statement from Mr James Baker, U.S. Treasury Secretary, that the Government will probably not default until mid-November if the ceiling is not raised may mean that Congress delays even longer and the paper shortage becomes even more acute.

But the major factor on the day was the statistics on U.S. consumer prices and durable goods orders in September. The rise of 0.2 per cent in consumer prices, and the rise of 3.2 per cent in durable goods orders, brought a fall of 0.2 per cent in the dollar's index. This had little impact on the market, but the durable goods data were confusing, sending the market much higher, but on closer examination bringing it back again. The September figure fell 1.1 per cent, and although forecasts varied widely, most observers expected a rise in the region of 1 per cent. The December bond price rose to a peak of 77.25, but then retreated when it was realised that defence orders had fallen by 19.3 per cent, while the figure excluding defence rose by 0.7 per cent.

The contract finished at 77.01, almost unchanged from the previous settlement of 77.00. Sterling dominated contracts remained quiet, apart from some late selling of long gilt futures.

CURRENCY MOVEMENTS

Oct. 23	Bank of England Index	Morgan Guaranty Change %
Sterling	81.1	-0.2
U.S. dollar	130.8	+0.1
Canadian dollar	94.8	-0.4
Australian dollar	115.7	+0.1
Swedish krona	107.1	-0.1
Japanese yen	215.75	-0.1
Deutsche mark	122.1	+0.2
French franc	166.5	-0.1
Italian lira	1936	-0.1
Spanish peseta	166.5	-0.1
Portuguese escudo	200	-0.1
Belgian franc	33.35	-0.1
Swiss franc	1.45	-0.1
Yen	215.75	-0.1

Morgan's currency changes: average 1980-1982=100, Bank of England index (base average 1975=100).

* Selling rates.

OTHER CURRENCIES

Oct. 23	£	\$	¥
Argentine	1.1475	1.1500	8000.0
Australia	2.0550	2.0580	1.4330
Brazil	1.1515	1.1570	3.305
Canada	1.1515	1.1570	3.305
Denmark	1.1515	1.1570	3.305
France	1.1515	1.1570	3.305
Germany	1.1515	1.1570	3.305
Greece	1.1515	1.1570	3.305
India	1.1515	1.1570	3.305
Indonesia	1.1515	1.1570	3.305
Italy	1.1515	1.1570	3.305
Japan	1.1515	1.1570	3.305
South Africa	1.1515	1.1570	3.305
Spain	1.1515	1.1570	3.305
Sweden	1.1515	1.1570	3.305
Switzerland	1.1515	1.1570	3.305
Taiwan	1.1515	1.1570	3.305
Thailand	1.1515	1.1570	3.305
U.K.	1.1515	1.1570	3.305
U.S.	1.1515	1.1570	3.305
West Germany	1.1515	1.1570	3.305
Yugoslavia	1.1515	1.1570	3.305

* Selling rates.

CURRENCY RATES

Oct. 23	Bank of England Index	Morgan Guaranty Change %
Sterling	81.1	-0.2
U.S. dollar	130.8	+0.1
Canadian dollar	94.8	-0.4
Australian dollar	115.7	+0.1
Swedish krona	107.1	-0.1
Japanese yen	215.75	-0.1
Deutsche mark	122.1	+0.2
French franc	166.5	-0.1
Italian lira	1936	-0.1
Spanish peseta	166.5	-0.1
Portuguese escudo	200	-0.1
Belgian franc	33.35	-0.1
Swiss franc	1.45	-0.1
Yen	215.75	-0.1

* Selling rates.

EMS EUROPEAN CURRENCY UNIT RATES

Oct. 23	£	\$	¥
Belgian franc	1.1515	1.1570	3.305
German D-mark	1.1515	1.1570	3.305
French franc	1.1515	1.1570	3.305
Irish punt	1.1515	1.1570	3.305
Italian lira	1.1515	1.1570	3.305
Netherlands guilder	1.1515	1.1570	3.305
Portuguese escudo	1.1515	1.1570	3.305
Spanish peseta	1.1515	1.1570	3.305
Swiss franc	1.1515	1.1570	3.305
Yugoslavian dinar	1.1515	1.1570	3.305

Changes are for Ecu, therefore positive change denotes a week currency. Adjustments calculated by Financial Times.

FT LONDON INTERBANK FIXING

	Over night	7 days	Month	Three months	Six months	One year
Interbank	10.17	11.11	11.11	11.11	11.11	11.11
Sterling	10.17	11.11	11.11	11.11	11.11	11.11
Local Authority Deposits	10.17	11.11	11.11	11.11	11.11	11.11
Local Authority Bonds	10.17	11.11	11.11	11.11	11.11	11.11
Local Authority Debts	10.17	11.11	11.11	11.11	11.11	11.11
Company Deposits	10.17	11.11	11.11	11.11	11.11	11.11
Finance House Deposits	10.17	11.11	11.11	11.11	11.11	11.11
Treasury Bills (91 days)	10.17	11.11	11.11	11.11	11.11	11.11
Treasury Bills (182 days)	10.17	11.11	11.11	11.11	11.11	11.11
Treasury Bills (270 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (91 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (182 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (270 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (360 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (450 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (540 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (630 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (720 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (810 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (900 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (990 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1080 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1170 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1260 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1350 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1440 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1530 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1620 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1710 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1800 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1890 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (1980 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2070 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2160 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2250 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2340 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2430 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2520 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2610 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2700 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2790 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2880 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (2970 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3060 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3150 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3240 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3330 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3420 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3510 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3600 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3690 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3780 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3870 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (3960 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4050 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4140 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4230 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4320 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4410 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4500 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4590 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4680 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4770 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4860 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (4950 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5040 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5130 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5220 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5310 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5400 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5490 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5580 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5670 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5760 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5850 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (5940 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6030 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6120 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6210 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6300 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6390 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6480 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6570 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6660 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6750 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6840 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (6930 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (7020 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (7110 days)	10.17	11.11	11.11	11.11	11.11	11.11
Bank Bills (7200 days)	10.17	11.11	11.11	11.11	11.11	11.11

LEISURE—Continued

[illegible]

PROPERTY Continued

[illegible]**MINES**[illegible]

1111

[illegible]

NOTES

[illegible]

1

[illegible]

"Recent Issues" and "Rights" Page
(International Edition Page 34)

This service is available to every Company dealt in Exchanges throughout the United Kingdom for a fee of annum for each security.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

AMEX COMPOSITE CLOSING PRICES

[illegible][illegible]

[illegible]

Continued on Page 32

**ANTWERP/BRUSSELS/GENT/KORTRIJK
LEUVEN/LUXEMBOURG**

Your subscription copy of the **FINANCIAL TIMES** can be hand-delivered to your office in any of the above locations. For details contact: Philippe de Norman. Tel: 02 513 2816. Telex: 64219.

BELGIUM
& LUXEMBOURG

FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Fireman's Fund hits hot spot

DESPITE disappointing news on the U.S. economy and on car sales, Wall Street ended firmly in busy trading yesterday, writes Terry Byland in New York.

The broad range of the market was well supported, with technology issues to the fore. Some gains in the blue chips were trimmed, however, after the Commerce Department's disclosure that durable goods orders dipped by 1.1 per cent last month.

Corporate results and speculative issues provided most of the features in the stock market. The Dow Jones industrial average closed a net 2.80 points up at 1,367.16, on turnover of 123m shares.

The bond market, which would have liked even stronger signs of an economic slowdown, gave up the gains of the previous session. A sharp rise in the federal funds rate was ascribed to technical pressures linked to the banking settlement.

The highlight of the stock market was the opening of trading in Fireman's Fund, floated off by American Express in the largest initial public offering ever made by an American company. After

the 32m issue was priced at \$25.75 a share, business opened with a 1m block traded by Salomon Bros, co-manager of the issue with Shearson Lehman Brothers. Later the stock topped the NYSE active stocks list, with the price at \$26.

The reporting season for the oil industry opened with Exxon, the world leader, 5% up at \$33.4 and Phillips Petroleum up 5% at \$12.4, both after announcing third-quarter profits.

Also in the limelight were the Wall Street firms themselves, headed by Phibro-Salomon, 5% higher at \$37.4, and E. F. Hutton, 5% up at \$32.4, on their respective results.

The motor sector weakened as the market digested the news of lower operating profits at General Motors and a sharp dip in sales in early October throughout the industry. General Motors shed a further 5% to \$66.4 and Ford 3% to \$46.4. However, tentative settlement of the strike at its manufacturing plants brought a gain of 5% to \$38.4 in Chrysler.

Satisfaction with the results again boosted Digital Equipment, up 1% to \$111.4. The report from France that IBM expects European sales of telecommunications services and equipment to double over five years helped its gain of 1% to \$130.4.

Also firm on the technology sector were Burroughs, up 5% at \$56.4, and NCR, up 5% at \$35.4.

Stock in Boeing continued to rise, putting on 6 1/4% to \$47.4 in response to the \$2bn sales deal with Northwest Airlines. Other defence-aerospace stocks looked mixed. United Technologies gave up 3% to \$39.4, but McDonnell Douglas added \$1 to \$71.4.

The market's considered response to the industry's results brought profit-taking in airlines. Eastern, with profits boosted by funds previously set aside for a profit-sharing plan, fell 1% to \$8. American dipped 5% to \$40.4, and Pan American slipped 5% to \$8. Northwest Air, reporting poor earnings, slumped 1 1/4% to \$32.4.

Eli Lilly jumped 2 1/4% to \$92.4 on higher earnings. The rest of the pharmaceutical sector remained mixed, however, as analysts weighed the chances of a fall in the dollar which would be good for industry profits. Merck slumped 5% to \$113.4 and Pfizer by 5% to \$45.4.

Speculative issues remained active. Heavy turnover in Beatrice, the food group, sent the price up 1 1/4% to \$45.4 after reports that Kohlberg Kravis might add 10 per cent to the \$45 a share buyout offer so firmly rejected by the Beatrice directors. Results from Hoover left the bid situation unchanged and the shares 5% better at \$42.4. R. H. Macy, still awaiting the formal offer from the management group, shaded by 5% to \$63.4.

Railroad stocks had an active session, with Union Pacific 5% up at \$48.4 on results and Burlington Northern 1 1/4% higher at \$64.4 as the market awaited the outcome of its bid for Southland Railway. Santa Fe South dipped 1 1/4% to \$31.4 after the Justice Department opposed plans to merge part of its network with the Southern Pacific system.

Credit markets were still sluggish, but longer dated bonds shed the gains chalked up in the previous session on hopes that economic data would show a strong downturn in the economy. Short-term rates edged higher behind a federal funds rate at 9 1/4 per cent.

TOKYO

Caution lowers the tone

A CAUTIOUS mood prevailed in Tokyo yesterday as further falls in large-capital and public works-related issues continued to weaken the market, writes Shigeo Nishimaki of Jiji Press.

Printing-related issues and some blue chips which had posted solid gains in the morning also lost ground towards the close.

The Nikkei-Dow market average lost 55.18 to 12,946.53, its third successive decline. Volume rose to 351.1m shares from Tuesday's 282.9m. Losses outpaced gains by 461 to 323, with 147 issues unchanged.

Earlier this week, dealers sought to improve the mood in the market, which had entered a corrective phase, by chasing biotechnology stocks, blue chips and incentive-based shares.

However, the fast declines of large-capital and public works-related issues, which had been traded actively between late September and early October, disappointed investors.

Mitsubishi Heavy Industries fell Y17 to Y415, the second most active stock with 19.4m shares traded. The share has fallen by slightly more than 11 per cent from its Y481 high reached on September 30.

Other large-capital stocks to fall were Hitachi Zosen, down Y7 to Y138, Tokyo Gas Y1 to Y305, Tokyo Electric Power, Y50 to Y2,440, and Nippon Steel, Y3 to Y176.

Among the widespread losses by public works-related issues, Ohbayashi Corp dipped Y14 to Y406 and Kajima Corp Y8 to Y499. Ohbayashi has fallen about 22 per cent from its September 30 high of Y452.

Some biotechnology-related issues also fell. Shionogi, which rose in the previous session after official approval for its manufacture of a new drug, fell Y10 to Y792. Yamanouchi Pharmaceutical also eased Y30 to Y3,330.

Rumours of an imminent currency redenomination sent Dai Nippon Printing up Y50 at one stage. However, it eased back to close Y10 up at Y1,170 on volume of 8.4m shares. Dai Nippon Ink and Chemicals rose Y2 to Y315, and Oji Paper advanced Y8 to Y466.

Bonds opened firm in response to a rise in the 30-year U.S. government bond market on October 22 but weakened later reflecting a decline in the bond futures market.

The yield on the benchmark 6.8 per cent government bond due in December 1994 rose to 5.520 per cent from Tuesday's 5.510 per cent. This was partly the result of a Y20bn to Y30bn purchase by a large trust bank towards the close. However, the impact was not strong enough to cause a turnaround in the market's outlook.

HONG KONG

LATE demand for banks and utilities counteracted the effects of profit-taking in Hong Kong which closed slightly firmer.

Brokers said banks and utilities had been left behind in the market's recent advances and yesterday's improvement enabled the stocks to catch up.

Among banks Hang Seng added HK\$1 to HK\$44.75. Hongkong and Shanghai was 5 cents up at HK\$7.30 and East Asia was 30 cents higher at HK\$22.50.

China Light added 10 cents to HK\$17.40, and Hongkong Telephone was 15 cents up at HK\$59.25 while Hongkong Electric was steady at HK\$20.

Elsewhere, Swire Pacific added 20 cents to HK\$27.80, Jardine Matheson was 10 cents down at HK\$12.90 and Hutchison Whampoa was also 10 cents down at HK\$28.50.

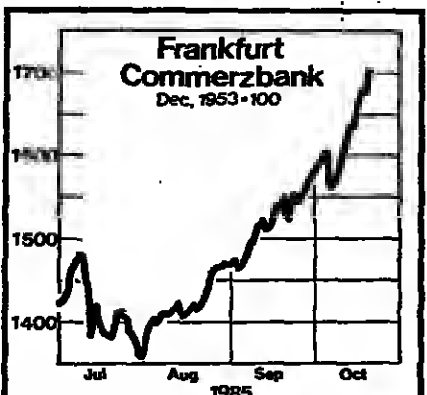
EUROPE

Frankfurt gathers strength

A DECISIVE break from the constrained pattern of trading which has subdued Frankfurt during the past two sessions yesterday pushed a large range of leading issues to record levels.

A return by international investors instilled renewed confidence, allowing domestic dealers to shrug off concern over interest rates created by the flagging West German bond market.

Substantial gains in the automotive and chemical sector contributed impor-



tantly to the Commerzbank's 28.6 rise to a new high of 1,704.1.

Daimler led the motor sector, adding DM 21.50 to DM 1,078.50, while VW firmed DM 18.70 to DM 363.20. BMW breached the DM 500 level with a rise of DM 8 to DM 505.

Expectations of sharply higher earnings injected renewed enthusiasm. BASF closed DM 6.80 higher at DM 272, Bayer firmed DM 11.50 to DM 257.50 and Hoechst DM 11.80 to DM 257.50.

Banks were boosted, before Deutsche's announcement of a one-for-15 rights issue at DM 450. The stock added DM 10.50 to DM 680 while Dresdner firmed DM 3.50 to DM 340.50 and Commerzbank DM 1.50 to DM 259.0.

Bond prices eased further in dull trading as dealers continued to feel the U.S. dollar would firm in the medium term and foreign investors remained on the sidelines. The Bundesbank bought DM 32.5m worth of domestic paper, compared with DM 99.3m on Tuesday.

Brussels continued to rally in active trading with leading Belgian and foreign stocks at or near record levels. The Brussels SE index hit a new peak, adding 39.66 to 2,755.26.

Recent interest rate declines and renewed faith in the country's political stability again inspired the buying.

The announcement by Electrolux of a one-for-five rights issue pushed its BFR 260 higher to BFR 5,400, while Wagons

Lit provided another highlight, adding BFR 500 to BFR 4,500, with dealers noting a lack of available paper.

Steel and related issues improved, with Arbed's BFR 190 rise to BFR 2,555 placing it at the head of the sector.

Amsterdam had one of its brightest sessions for several days with improvements in most sectors. The ANP-CBS general index reached a 12-month record, adding 2.4 to 218.9.

The guilders' strength against the dollar buoyed international, with Unilever ahead F1 4.80 to F1 333.80.

Positive domestic economic indicators backed strong trading in Zurich. All banks closed higher, with Swiss Bank up Sfr 6 to Sfr 503 after announcing higher third-quarter earnings and an issue of bearer shares.

Institutions were active in Paris, boosting demand from other sources and leaving prices generally higher.

Profit-takers returned to the Milan bourse although selective buying left a small number of issues with a small improvement.

Hopes of a cut in domestic interest rates continued to influence investment decisions in Stockholm, and prices edged forward in relatively active business.

Madrid was firmer although trading remained thin.

AUSTRALIA

SITUATION stocks and improved golds yesterday spurred Sydney to its third successive record.

Strong support for BHP and a scrip shortage also helped to lead the market upwards, and the All Ordinaries index ended 3.5 up at a new peak of 1,046.0.

Interest in BHP continued ahead of today's expiry of its October options series. It closed 8 cents higher at A\$8.90. Among other actives North Broken Hill was 4 cents up to A\$2.55, Western Mining added 2 cents to A\$3.70 and MIM was up 5 cents to A\$2.76 while CSR lost 1 cent to A\$3.72.

Elders DXL continued to slide, easing 5 cents to A\$3.95, following its bid for Allied-Lyons, the UK brewing and foods group, earlier this week.

The continuing optimism over results, due today, of the Menzies exploration well in Papua New Guinea again helped Oil Search to rise 7 cents to 99 cents.

SINGAPORE

SPECULATIVE buying gave a late boost to Singapore which closed higher earlier after profit-taking had caused some prices to ease.

Malaysian companies were in demand, including Magnum, which closed 20 cents higher at S\$4.10, G. I. Holdings, 13 cents up at S\$2.11, and Raleigh, 2 cents up at S\$3.66.

Banks were generally steady to firm, with Malay Banking up 5 cents to S\$5.90 and OCB unchanged at S\$4.45. However, Tat Lee slipped 1 cent to S\$3.52.

Elsewhere, Cold Storage added 4 cents to S\$3.18, Genting was 10 cents better at S\$8.05, Keppel Shipyard was 1 cent up to S\$1.24 and Singapore Press rose 5 cents to S\$6.45.

LONDON

Institutions sweep away uncertainty

BUYING orders swept away the uncertainty which has clouded London this week and boosted share prices to new peaks.

At the end of the session the FT Ordinary share index was 10.3 up at its best-ever level of 1,051.3, after many shares had reached all-time highs.

The institutional and other buying orders emerged late on Tuesday and continued throughout yesterday's session. The upward momentum was also helped by Opec predictions of more stable oil prices next year, bid speculation and, more importantly, support for a wide range of second-line issues.

BET fell 2p to 338p in active trading on news of its counter-offer for SGB, which soared 40p to 266p.

ICI, which has slipped lately on concern over its third-quarter figures due out today, gained 8p to 655p.

Among oils British Petroleum was 13p up at 653p while other oils improved between 1p and 5p.

Banks were also stronger, recouping the previous session's losses sparked by worries about Lloyds' Far Eastern loans. Lloyds was 12p higher at 452p, and NatWest added 13p to 704p.

Chief price changes, Page 35; Details, Page 34; Share information service, Pages 32-33

SOUTH AFRICA

A LACK of fresh incentives left Johannesburg mixed in dull trading.

Among golds Driefontein was 15 cents down at R50.85, Gold Fields SA was steady at R35 and Buffelsfontein was 50 cents better at R77.50.

Other mining and mining financials were also mixed. Anglo American Corp lost 25 cents to R34.25, diamond share De Beers was 15 cents down at R14.35 and Rustenburg Platinum was unchanged at R24.25.

Among banks Barclays slipped 10 cents to R16.80, and Nedbank firmed 25 cents to R11.00.

CANADA

EARLY gains on Wall Street gave some encouragement to Toronto which generally traded higher.

Among actives Bell Canada Enterprises traded C\$4 up at C\$41.4, Dylex was up C\$1 at C\$13.4 and Husky Oil added C\$4 to C\$39.

Mercantile Bank was also down again by C\$4 to C\$9 after agreeing in principle to merge with National Bank, which traded C\$4 lower at C\$19.7.

In Montreal industrials, utilities and banks all traded slightly higher.

Be with it - win with it.
Play the big game for
262 000 000 DM

Guarantee

2 x 2.0 Million = 4000000 DM
2 x 1.5 Million = 3000000 DM
2 x 1.0 Million = 2000000 DM
4 x 3/4 Million = 3000000 DM
9 x 1/2 Million = 4500000 DM
19 x 1/4 Million = 4750000 DM
28 x 100000 = 2800000 DM
12 x 80000 = 960000 DM
339612 x up to 5000 DM = 229620000 DM
340178 Prizes totalling 262 910 000 DM

GREGOR FRANKFURT

These amounts are guaranteed to be paid out in one lottery. There are two lotteries every year: one beginning in May, one beginning in November.

The largest lottery of this type in Europe gives you an attractive opportunity to win. Never before were your chances so good to win one Million or two.

- Only 700000 tickets to sell - no more.
- 340178 of these are guaranteed to win.
- Nearly every second ticket yields a prize.
- Total amount of money to be won: 262.91 Million DM.
- 2 Jackpots of 1 Million DM each.
- 4 Super-Jackpots of 1.5 and 2.0 Million DM each.

KEY MARKET MONITORS				
<p>Tokyo New Stock Exchange Jan 4, 1986-100</p>				
STOCK MARKET INDICES				
	Oct 23	Previous	Year ago	
NEW YORK				
DJ Industrials	1,367.16	1,364.36	1,213.01	
DJ Transport	660.81	662.22	537.16	
DJ Utilities	157.88	156.24	143.36	
S&P Composite	189.09	188.04	167.09	
LONDON				
FT Ord	1,051.3	1,041.0	866.2	
FT-SE 100	1,346.4	1,331.5	1,128.3	
FT-A All-share	654.87	649.18	532.26	
FT-A 500	715.98	708.34	577.53	
FT Gold mines	250.2	253.8	555.9	
FT-A Long gill	10.15	10.15	10.44	
TOKYO				
Nikkei-Dow	12,946.53	13,001.70	11,029.9	
Tokyo SE	1,025.70	1,030.60	851.93	
AUSTRALIA				
All Ord.	1,046.0	1,042.4	741.8	
Metals & Mins.	530.2	529.4	431.5	
AUSTRIA				
Credit Aktien	98.32	99.09	56.74	
BELGIUM				
Bolgan SE	2,755.26	2,715.60	-	
CANADA				
Toronto				
Metals & Mins	1,796.36	1,814.8	1,972.0	
Composite	2,652.97	2,648.1	2,362.4	
Montreal				
Portfolio	128.12	128.27	117.74	
DENMARK				
SE	236.11	233.66	167.73	
FRANCE				
CAC Gen	211.8	211.2	179.0	
Ind. Tendance	119.3	118.6	85.8	
WEST GERMANY				
FAZ Aktien	576.25	567.24	372.37	
Commerzbank	1,704.0	1,674.4	1,050.8	
HONG KONG				
Hang Seng	1,666.71	1,668.06	1,045.18	
ITALY				
Banca Com.	395.89	397.75	212.28	
NETHERLANDS				
ANP-CBS Gen	218.9	216.5	181.8	
ANP-CBS Ind	197.5	194.2	142.5	
NORWAY				
Oslo SE	377.31	373.93	261.74	
SINGAPORE				
Straits Times	774.13	770.85	875.29	
SOUTH AFRICA				
JSE Golds	-	1,107.9	1,010.8	
JSE Industrials	-	969.9	879.1	
SPAIN				
Madrid SE	125.97	125.25	103.15	
SWEDEN				
J & P	1,408.96	1,404.19	1,462.18	
SWITZERLAND				
Swiss Bank Ind	499.8	496.0	377.6	
WORLD				
Oct 22				
Capital Int'l	228.9	228.5	184.8	
COMMODITIES				
	Oct 23	Prev	Year ago	
London				
Silver (spot fixing)	432.70p	427.55p		
Copper (cash)	£392.25	£390.00		
Coffee (Nov)	£1,661.00	£1,646.00		
Oil (spot Arabian Light)	\$27.75	\$27.75		
GOLD (per ounce)				
	Oct 23	Prev	Year ago	
London	\$328.50	\$327.75		
Zurich	\$328.50	\$326.65		
Paris (Aug)	\$327.87	\$326.72		
Luxembourg	\$327.00	\$326.00		
New York (Dec)	\$329.00	\$330.00		

FINANCIAL FUTURES				
	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
30 Yr	76-30	77-15	76-27	77-08
U.S. Treasury Bills (IMM)				
51m points of 100%	92.88	92.97	92.86	92.93
Certificates of Deposit (IMM)				
51m points of 100%	92.09	92.15	92.09	92.15
LONDON				
Three-month Eurodollar				
51m points of 100%	91.81	91.88	91.78	91.81
20-year National Gilt				
£50,000 32nds of 100%	113-21	114-01	113-23	113-27